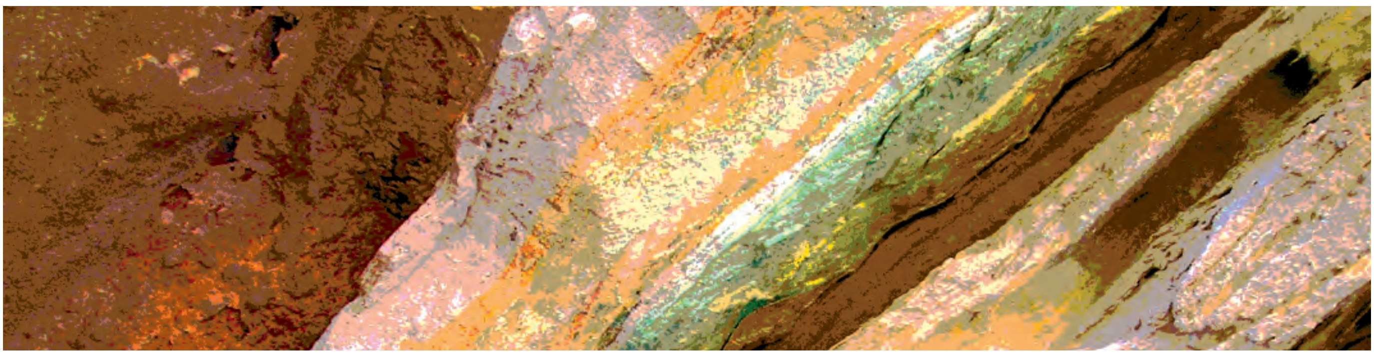
Annual Report and Accounts 2007

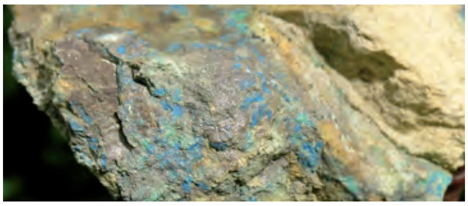
Alexander Mining plc



Transforming Alexander Mining – an AIM listed mining and mineral processing technology company with a reputation for strong technical management, allied with financial markets' expertise and experience.

The Company's activities are directed towards the objective of becoming a low cost, highly profitable and diversified mining company.

This will be achieved from its existing assets, the acquisition of advanced projects and producing operations and the commercialisation of its new proprietary mineral processing technologies.



Highlights

- > Metals market conditions and outlook remain favourable
- > MetaLeach Limited formed to commercialise proprietary new mineral processing technologies, AmmLeach® and HyperLeach™
- > MetaLeach Limited is in discussion with over 35 companies, of which seven have committed to testwork programmes
- > Strong cash position of £8.4m at 31 December 2007
- > Bankable feasibility study on Leon copper project in northwest Argentina nearing completion

As part of our strategy to grow rapidly, Alexander Mining has formed MetaLeach Limited to commercialise our proprietary mineral processing technologies.

MetaLeach™ has technologies with the potential to revolutionise the extraction processes for many base metal deposits.

Chairman's Statement

It is with pleasure that I can report to shareholders significant progress made by the Company during 2007.

During the last twelve months the extraordinary bull market for the mining sector has continued.

I am pleased to report to you on the Company's progress during the past year. Although not without its challenges, it has been a year of significant progress. Whilst we have maintained a concerted effort to advance our projects in South America, the most important development has been the creation of MetaLeach Limited, a new business to commercialise our innovative and exciting proprietary mineral processing technology.

During the last twelve months the extraordinary bull market for the mining sector has continued. Notwithstanding the global credit crisis and extreme market volatility around falling world equity markets, the phenomenon of the booming industrialisation of China and India has, so far, been unaffected. As such, demand for base metals has remained strong. Precious metals prices have also risen sharply, reflecting their 'safe haven' status and more mundane supply fundamentals, such as electricity supply outages in South Africa.

Although blessed with a bull market, the mining industry has found it hard to keep up with supply as the lead time from discovery to production for new mines has increased. This is because of increased country risk problems, encompassing title, permitting, fiscal regime; more rigorous environmental standards; manpower shortages of both professional and skilled manual labour; and long key equipment lead times. Moreover, whilst record metal prices have increased revenue significantly, margins have been eroded as capital and operating costs have risen sharply too.

Matt Sutcliffe
Executive Chairman

M. I. Sutcliffe

It is against this backdrop that the launch of our wholly owned MetaLeach business is fortuitous. We believe that the desire to embrace new technologies in the international mining industry is keen and will intensify. MetaLeach is focused on hydrometallurgical solutions that add value at the mine site. We believe that technological breakthrough in mineral processing, and hydrometallurgy in particular, is one of the most promising avenues left for mining companies to significantly reduce operating costs.

Our proprietary AmmLeach® and HyperLeach™ technologies, with provisional patents filed, have potential applications for the recovery of many base metals from a range of ores, especially for deposits where the mineralogy means that conventional treatment methods are uneconomic. Because Alexander's technology business has been developed as a spin off from the mineral processing testwork at its Leon copper project in northwest Argentina, the costs incurred in establishing the business have been low. Moreover, the future development costs as it is advanced towards commercialisation should be modest.

As shareholders will be aware, since Alexander's shares were admitted to trading on AIM in 2005, the Company has focused its activities in Latin America, specifically Argentina. In addition to our strong cash position, the Company's most important asset is its Leon project. Integral to proceeding with the mine development as originally envisaged is the arrangement of a bank loan facility. For this purpose, Standard Bank plc was appointed in September 2007 as the exclusive Arranger and Underwriter, subject to due diligence, negotiation and execution of a detailed term sheet for the Leon project.

Until recently the Company had found support for its activities at both the local and national levels. However, with the change in local and national governments and the introduction in late last year of a 5-10% export duty on existing mines there has been severe damage to both the prevailing fiscal regime and investors' country and investment risk assessment.

Notwithstanding the change in legislation, the Company is committed to completing a bankable feasibility study. However, with these recent developments, it is taking longer than initially envisaged. Whilst we believe that we will be able to finalise the outstanding technical and related aspects of the feasibility study in the next few months, it will be a financing and development decision prerequisite that there is complete clarity and confidence in the prevailing fiscal regime for mining companies in the country.

Of course, these uncertainties are not specific to Alexander. Indeed several mining companies, including some of the world's largest, have started legal action to prevent the Government from continuing with the new export duties.

Although there is uncertainty about the fiscal regime for mining companies, the pre-tax economics of the Leon project remain robust, and with development of its AmmLeach® process, the economic value of any mining operation at Leon is magnified beyond absolute project investment returns. This is due to the benefit that it brings to the efforts in marketing the AmmLeach® process to the mining industry by demonstrating a commercial operation using the technology.

Accordingly, the Company is taking a pragmatic view on its options for the scale, and associated financing requirements, of a mine at Leon. Management will maintain a prudent approach by tightly controlling costs and conserving our significant cash position. Further updates will be made in due course.

Outlook

Whilst the last year has seen positive progress on several fronts, the delays have been frustrating, compounded especially by the situation in Argentina. However, the Company still has a healthy amount of cash with which to further its activities and we will focus on our promising new mineral processing technologies to grow. The MetaLeach business holds great potential for significant commercial success in the world mining industry and we will work hard to make the most of it.

I would like to take this opportunity to thank the Company's employees and directors for their hard work and commitment during the last year. We have had some changes to the non-executive directors on the board and I would like to thank those that stepped down after several years' service, Messrs Lewis, Ashcroft and Norwood, for their much appreciated efforts and welcome Emil Morfett who has joined the board.

Matt Sutcliffe
Executive Chairman

17 April 2008

We continue to explore the many opportunities that exist to build a highly profitable and diversified mining company.

Business review

Having been appointed CEO in November last year, I am delighted to present my first annual review of the Company's activities.

With our mineral processing technologies we have gained major new commercial potential, along with metals and geographic diversification.

A review of the Company's business, including prospects, is given in the Chairman's Statement and below.

During 2007 the Company has had the good fortune to establish, in a short space of time, our new mineral processing technology business, MetaLeach Limited, which we believe has tremendous commercial potential. This has been developed as a result of the innovative metallurgical testwork conducted by the Company at its Leon project. This development goes some way to allay the frustration generated by the current uncertainty regarding mining investment in Argentina.

Given the high inherent risks involved in the mining industry, especially for junior companies, whether these risks are technical, market, financial, environmental or geopolitical (see the Directors' report), investors seek a commensurately high reward. Typically, mining companies are either explorers (highest risk), developers, producers (lowest risk) or a combination thereof. The challenge for mining companies is to manage the associated risks according to their resources, both technical and financial.

Like all companies, Alexander adopts a prudent approach to control and mitigate these risks as far as possible. The MetaLeach technology business is unusual, albeit positively so, in that it has potential commercial applications for a diversified range of base metal deposit types worldwide. The risks differ to more conventional mining companies in that technical risk has been reduced significantly as the fundamentals of the technology have largely been demonstrated, especially for the AmmLeach® process, to pilot plant scale at Leon. Moreover, under the business development plan, costs are budgeted to be low. The major initial commercialisation stage will involve testing third party client ore samples. This work will be carried out to MetaLeach's specification at an independent testing laboratory. The full testing costs, together with a contribution for MetaLeach's administrative costs, will be paid by clients.

Peru – Gold, Molinetes The presence of bonanza high grade gold mineralisation, reportedly up to several ounces per tonne, is being exploited by artisanal mining activity.

Argentina - Polymetallic, Rachaite Early stage exploration property with potential for porphyry copper/gold mineralisation and/or high sulphidation epithermal gold mineralisation.

Argentina - Copper, Leon Favourably situated in the central part of the Salta Province of northwest Argentina, and just 55km southeast of the provincial capital, Salta, Leon is at an advanced feasibility study stage.

In addition, the Company has a dominant regional exploration claims area, a total of 133,000 hectares.

Martin Rosser
Chief Executive Officer

Metaleach™

MetaLeach Limited, our wholly owned subsidiary company formed to commercialise our proprietary new mineral processing technologies, with the potential to revolutionise the extraction processes for many base metal deposits.

Business review

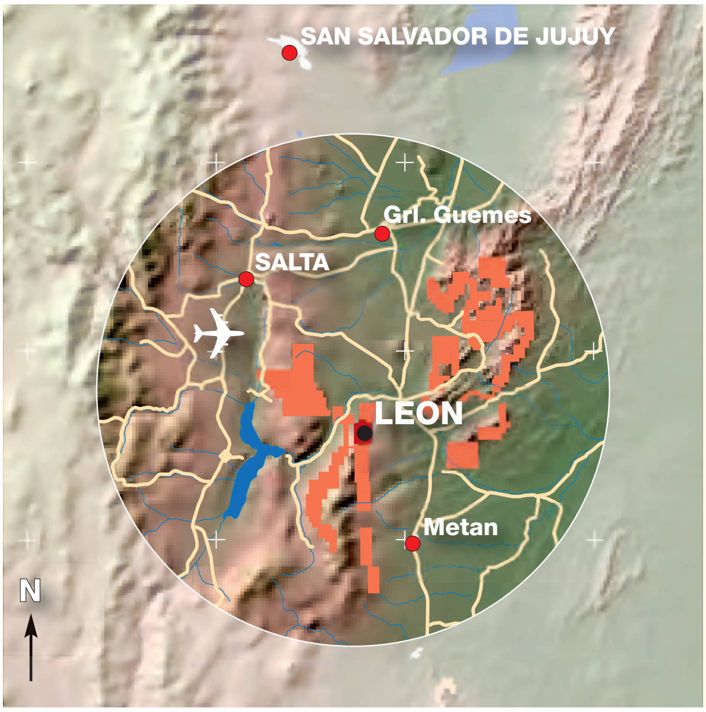
The Company is continuing to advance its Leon copper project in Salta Province, northwest Argentina, whilst keeping strict control of costs.

Interim feasibility study for the Leon copper project, announced in September 2007, shows a project with robust economics.

Argentina

Investment in Argentina's mining industry has enjoyed a boom in the last few years. However, recent national government action threatens to kill the goose that lays the golden egg. The imposition of export duties on existing mines is in violation of the Argentinean 30-year tax stability law and 3% royalty cap. Due to the Argentinean Federal system, comprising 23 provinces with their own constitutions and politics, prior to the introduction of a tax stability law, the ability of individual provinces to arbitrarily increase mining taxes prevented any fiscal stability and satisfactory operating environment for mining companies. Thus, the national government's decision has damaged both the prevailing fiscal regime and investors' country and investment risk assessment. Moreover, these deleterious repercussions have been compounded by the current global banking credit crisis.

Whilst there has been a change of provincial government in the most important province in which the Company is active, Salta, we are optimistic that the pro-mining stance of the previous political incumbents will prevail.



Key

Leon

Notwithstanding the change in legislation, the Company is continuing to advance its Leon copper project in Salta Province, northwest Argentina, whilst keeping strict control of costs. We expect to be able to finalise the outstanding technical and related aspects of the feasibility study in the next few months, but the decision to proceed with the construction of any mine will be dependent upon bank financing.

Location

The Leon project area is well situated in the central part of Salta Province, northwest Argentina, approximately 1,250km northwest of Buenos Aires and just 55km southeast of the provincial capital, Salta. There is good access to the Leon project site via paved national highways for most of the way and then some 18km of good quality gravel road.

Geology

Mineralisation at Leon lies at the southeastern end of a major fault zone, which is one of several regional-scale, northwest trending lineaments traversing northwest Argentina and the Andes. The mineralisation is believed to have entered into the sedimentary beds during a period of basin inversion, when there was major faulting and northwest folding in the area.

The two main deposits at Leon are called El Cobre and El Plomo. They were formed around the contact of the Yacoraite limestone and the Lecho sandstone. Limestones in the area are the most resistant rocks and generally occupy the crests of ridges. The El Cobre and El Plomo deposits are near vertical dipping bodies that occur in two parallel ridges, converging to the north, and forming the two sides of a valley. The rocks are extensively brecciated, especially in El Cobre.

Supergene oxide and sulphide mineralisation occurs to around 80m depth, comprising malachite, azurite, digenite and covellite, iron and manganese oxides and complex, fine-grained mixtures of oxides. The host rocks are strongly brecciated, tectonised and altered.

Feasibility Study

The key parts and findings of an interim Leon feasibility study, compiled internally by Alexander's senior technical personnel, which reviewed and summarised the studies carried out by various specialist consultants and contractors, was announced in September 2007.

Resource estimate

The interim feasibility study was based on a JORC compliant resource estimated by independent geological consultants, ACA Howe, of 6.43 Mt at 0.64% copper and 17.86 g/t silver (using a 0.2% copper lower cut-off grade).

Subsequently, during mid 2007, in order to promote some of the inferred resources to the indicated category, a further drilling programme was carried out on the El Cobre deposit and a new resource estimate was produced by ACA Howe, which is set out in the table below.

Mining engineering

Based on the earlier ACA Howe resource model and statement, which excluded the subsequent drilling designed to promote inferred resources to the indicated resources category, Adam Wheeler, independent consultant mining engineer, has carried out pit optimisation studies using Datamine software. Various scenarios were investigated to determine the optimum pit design for the operation. Accordingly, the probable reserve estimate below, which is in the process of being updated, was determined using indicated resources and excluding inferred resources.

The mining method will be by conventional open pit. The interim feasibility study mine plan incorporates the design and optimisation for the mining of two open pits and, assuming copper recovery of 75%, a production schedule of 5,000t of cathode copper per annum over a five year mine life, with silver as a bi-product.

The site location is favourable for an open pit mining operation. Authorities have indicated that the Company can be supplied with electricity, and water supplies are available from underground sources. The city of Salta can provide a significant part of the services, supplies and trades needed for mine construction and operating purposes.

Mining engineering has been designed to suit infrastructure, topography and environmental constraints. The use of small equipment is preferred for availability, flexibility and has the additional benefit of employing more local people with a less skilled mechanical background or exposure to large mobile equipment.

The site is suited to heap leaching and pit waste disposal. There is a relatively flat area of ground between and in close proximity to the proposed open pits. There is relatively no pre-strip required and highly leachable, good grade ore outcrops. Waste material can be placed within adjacent valleys with minimal environmental impact. Ore will be broken using explosives, then excavated in benches and hauled to the leach pad.

Leon project resource estimate

				In situ metal	
	Tonnes, Mt	Copper, %	Silver, g/t	Copper, t	Silver, Moz
El Cobre Deposit					
Indicated Oxide Resource	2.54	0.88	20.42	22,370	1.67
Inferred Oxide Resource	0.36	0.47	9.04	1,700	0.10
Total Oxide Resource	2.90	0.83	19.02	24,070	1.77
El Plomo Deposit					
Indicated Oxide Resource	2.90	0.46	17.63	13,330	1.65
Inferred Oxide Resource	0.86	0.44	15.75	3,750	0.43
Total Oxide Resource	3.76	0.45	17.20	17,080	2.08
Total					
Indicated Oxide Resource	5.44	0.66	18.98	35,700	3.32
Inferred Oxide Resource	1.22	0.45	13.51	5,450	0.53
Total Oxide Resource	6.66	0.62	17.98	41,150	3.85

NB: Using a 0.2% copper lower cut-off grade; totals may be subject to rounding errors.

Leon probable reserve estimate

		Contained metal	
	Tonnes, Mt	Copper, t	Silver, Kg
El Cobre Deposit	2.21	19,894	41,264
El Plomo Deposit	2.52	11,138	43,248
Total	4.73	31,032	84,512

NB: This cannot be classified as a JORC compliant reserve until the feasibility study has been completed to a bankable standard

Business review

As a result of metallurgical testwork conducted by the Company at Leon, a novel metallurgical process, AmmLeach®, was developed, for which patents have been filed.

The AmmLeach® process uses, for all intents and purposes, plant identical to a conventional acid heap leaching and solvent extraction facility.

Argentina continued

Mineral processing

Due to the carbonate rich mineralogy of the deposit, and hence excessively high acid consumption, conventional sulphuric acid heap leaching is uneconomic. As a result of metallurgical testwork conducted by the Company at Leon, a novel metallurgical process, AmmLeach®, was developed. As far as the treatment plant design and equipment aspects, the AmmLeach® process is, for all intents and purposes, identical to a conventional acid heap leaching, solvent extraction and electro-winning (SX-EW) plant, with the only substantive difference being that the leachate is ammonia based rather than sulphuric acid.

Conceptual and basic engineering designs for the treatment plant have been completed by consultants, Sociedad Terral SA, and were delivered in March 2008. They have been reviewed by the Company and will also be reviewed by an independent mineral processing consultant, who has been engaged to ensure they are satisfactory for the bankable feasibility study. In addition, design and engineering has been carried out for the site layout, the leach pad design and all other infrastructure, which contemplates a 12 months' project construction period.

Above: Leon metallurgical testing facility

Below: Leon electro-winning plant

Environmental

As a key part of the mine permitting process, the Company has prepared and filed a 1,200 page Environmental Impact Assessment (EIA) report with the relevant authorities in Salta. Over sixty, primarily local, specialists were involved with the EIA, which is necessary for the approval of the project's eventual operation. Subject to Salta Government acceptance, approval of this report is expected during the second quarter of 2008.

Community relations

The Company's social licence to operate policy is to have a positive impact on the people, cultures and communities in which it operates. It will be respectful of local peoples, their values, traditions, culture and the environment. The Company will strive to ensure that surrounding communities are informed of, and where possible, involved in, developments which affect them, throughout the life cycle of our operations. We will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution. In particular, we will contribute to those areas of education and health care which are relevant to our business activities and those most likely to be sustainable once our operations have ceased.

We seek to acquire and use land in a way which promotes the broadest possible consensus amongst interested parties. Moreover, we will endeavour to contribute to the sustainable economic development of the host communities through procurement activities and the outsourcing of services from local vendors and suppliers where appropriate.

The Company has made significant efforts to maintain good relationships with all local, provincial and national authorities. It has also been particularly diligent in maintaining a significant community relations programme. During the last 12 months, over a dozen meetings have been held, presentations given and 24 site visits carried out. This remains an ongoing exercise and further site visits are planned.

The Company will adopt an environmental management plan to ensure that:

- Compliance with the environmental laws and regulations of Argentina are maintained and wherever possible exceeded to achieve industry best practice.
- Impacts identified during the studies will be minimised during the construction and operation of the mine.
- The water quality leaving the site will be suitable for use downstream of the project area.
- The creation of local jobs and business opportunities will be given a high priority.
- The disposal of waste will be done in an environmentally responsible manner.
- The local authorities and farming community will be kept informed about company activities through regular communications.
- Rehabilitation activities take place during the operating life of the mine and become part of the production process.
- Following mine closure, the land will be returned to a condition suitable for continued farming activities.

Project economics

The interim feasibility study included the preparation of a full financial model for the development and life of the project, including cash flows and sensitivities. The study showed a project with robust economics. As a result, a mandate was signed appointing Standard Bank plc, London, as the exclusive Arranger and Underwriter, subject to due diligence, negotiation and execution of a detailed term sheet, for a Leon project loan facility.

The current ambiguity of the prevailing national tax regime for mining projects means that it will only be possible to determine the financial model economics when there is complete clarity on the taxation for mining companies in Argentina. Moreover, as there remain outstanding matters to complete a bankable feasibility study, some of the key figures are subject to revision.

In the interim study, the detailed capital costing of all necessary project investments totalled US$25.0m (US$27.5m including a 10% contingency). Detailed operating costs for all aspects of the operation resulted in a calculated copper cash production cost of US$1.10/lb (compared to recent prices for copper of around US$4/lb; note operating costs are before tax and include mining, processing, sales costs, site administration and are after silver credit at US$13/oz, compared to a recent price of around US$18/oz). Both the capital and operating costs will be finalised on completion of the bankable feasibility study and hence are subject to change.

Above: Leach heap at Leon

Below: Leon site

Above: Large diameter metallurgical testing columns

Below: Plant nursery at Leon

Business review

In the context of the current fiscal uncertainty in Argentina, management decided to suspend any further exploration activity in Argentina, reducing expenditure to that required to complete the Leon bankable feasibility study.

Exploration efforts will be reviewed once the Leon bankable feasibility study has been completed and properties of insufficient merit will be relinquished.

Exploration

At the end of 2007, the Company held 132,779 hectares of mineral properties in Argentina, of which 118,220 hectares were in Salta Province and 14,559 hectares were in Jujuy Province. The reduction in area in the Salta Province was due to statutory requirements and after technical review by our exploration personnel.

Nearly all of the Company's exploration efforts during the last twelve months were focused on exploration reconnaissance and the evaluation of the Arbol Solo area for copper mineralisation. A number of new discoveries were also made and more detailed exploration commenced in these areas. These are known as Vera Cruz, Los Negros, Piedra Blanca and Leon Sur.

However, after a review of progress made, and an evaluation of geological potential, management decided, in the context of the current fiscal uncertainty in Argentina, to suspend any further exploration activity in Argentina. A review of the Company's exploration properties will be carried out, with those of insufficient merit being relinquished. The Company's exploration efforts will be reviewed once the Leon bankable feasibility study has been completed and in the light of the then prevailing Argentina mining investment climate.

A brief summary of the exploration work carried out in Argentina during the last twelve months is given below.

Key

Alexander Mining Property

Town

Road

River

Land over 4,000 ft

Land over 1,500 ft

25 50 Kilometres

Leon Regional

Arbol Solo

The Arbol Solo prospect occurs 23km due south of the Leon project and consists of two zones of mineralisation. The northern is known as Nogal Solo and the southern as Chilcar. The mineralisation occurs in footwall sandstones of the Lecho Formation and is confined mainly to the closures of eroded overturned anticlines, with some mineralisation dispersed along the limbs.

Trenching continued to open up mineralisation on Nogal Solo over a strike of 1,700m. As a result, a 3,470m contract diamond drill programme was initiated in June 2007, complemented by detailed surface mapping and a topographic survey. An in-house resource estimate was calculated to be 1.42Mt with 0.34% copper. There is no significant silver mineralisation. The resource at Nogal Solo is not of sufficient tonnage and grade currently to be of economic interest. Accordingly, all expenditure at 31 December 2007 has been written-off.

Detailed mapping on the Chilcar zone has found numerous outcrops of mineralisation separated by areas of soil cover. Limited small diameter core drilling was carried out, using the Company's small portable Sandy drilling rig, to evaluate the potential strike of this mineralisation.

Vera Cruz

This area is 11km to the north of Arbol Solo. The mineralisation occurs in the sandstones of the Lecho Formation, which have been overturned. Outcrop is poor with windows of mineralised sandstones in otherwise soil covered areas. The potential mineralisation extends over a strike length of 920m. One complete exposure in a trench returned a value of 0.36% copper over a width of 16.5m.

Los Negros

Los Negros is between 10km and 23km to the northwest of the Leon project. Exploration in the area led to the discovery of a small outcrop of copper mineralisation in oolitic limestones (El Toro zone) which is the main host rock for the Leon mineralisation. Soil geochemistry has indicated the potential of mineralisation to extend over a strike of 400m, below soil cover.

Further work was done in the original discovery area (Los Negros zone), where high grade mineralisation occurs within structures in Precambrian rocks. Additional mineralisation has been found indicating two potential structures, each of which could have strikes of 1,000m.

Piedra Blanca

This area is located approximately 25km to the southwest of the Leon project. Copper oxide mineralisation occurs in the sandstones of the Lecho Formation over widths of up to 28m. The prospect remains to be drill tested.

Leon Sur

This area is located between 2,000m and 3,500m to the south of the Leon project. Copper mineralisation occurs in sandstones of the Lecho Formation. The mineralisation is near structures that trend northwest to southeast.

Rachaite

The Rachaite property, in Jujuy Province northwest Argentina, covers a total area of 13,560 hectares and consists of an altered and leached porphyritic dacite body within a collapsed caldera.

After initial exploration work, which included a small diamond core drilling programme, given the considered geological risk, the Company decided to solicit third party joint venture interest. It has received interest from a number of parties, which it is following up, with the objective of forming a joint venture to continue exploration.

Trinidad

Ten holes totalling 1,031m were drilled on the western block. These were located in the most favourable areas selected from surface mapping of lithologies, structures and alteration and from results of rock chip sampling. No intersections of mineralisation of economic relevance were encountered. Surface mapping and rock chip sampling were carried out on the eastern block. No highly anomalous values or values of economic interest were found and there is no evidence of widespread alteration of the type that might suggest significant epithermal or hydrothermal mineralisation.

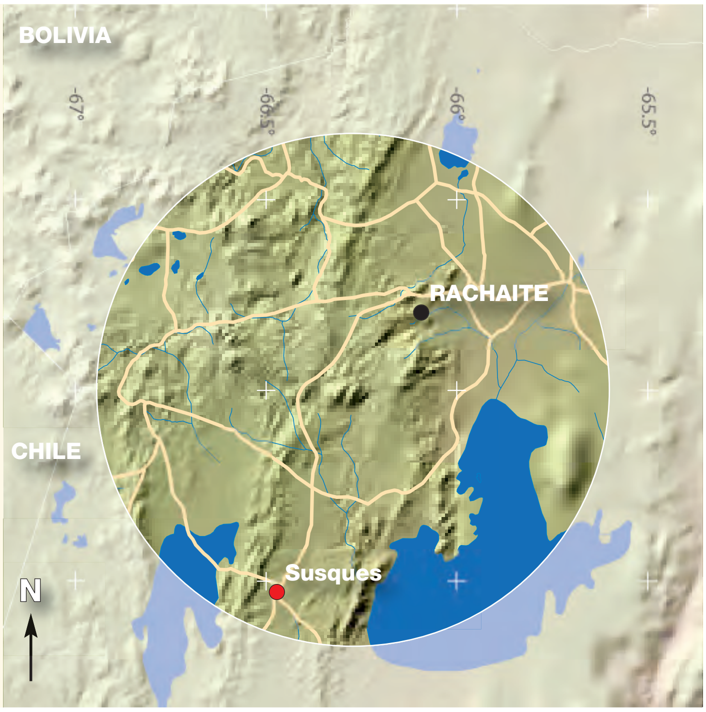
As a result, after comprehensive internal discussion and review of a report for management from its geological consultant, it was decided that the Company would not continue with its earn-in agreement on the Trinidad property. Under this agreement, the Company did not earn any equity in the property and the agreement was terminated.

Peru

Molinetes Property

The Molinetes property is in the District of Las Lomas, approximately 120km east of the city of Piura, the regional capital of Piura Province in northwest Peru. The concession covers an area of circa 800 hectares.

Before any exploration can be carried out, a 'social licence to operate' agreement has to be reached with the local community. Although an initial agreement was reached, subsequent changes amongst the community meant that further negotiations were necessary; currently, whilst considerable efforts have been made, because of the complexities involved this has yet to be achieved. Accordingly, the Company may consider alternatives involving a joint venture with a third party so as to endeavour to accelerate the start of exploration.



Diamond drilling using the Company's portable rig

Business review

MetaLeach Limited

MetaLeach Limited is a wholly owned subsidiary of Alexander Mining plc, and was formed in 2007 to enable the Company to commercialise its proprietary new hydrometallurgical mineral processing technologies. These technologies have the potential to revolutionise the extraction processes for many base metals deposits.

MetaLeach owns the intellectual property to two hydrometallurgical technologies where provisional patents have been filed, namely AmmLeach® and HyperLeach™. These technologies were created as a result of the Company's work at Leon and subsequent research and development undertaken. The Company believes that, with the buoyant state of the international mining industry, albeit in an environment of upwards operating cost pressures, the desire to embrace new technologies will intensify.

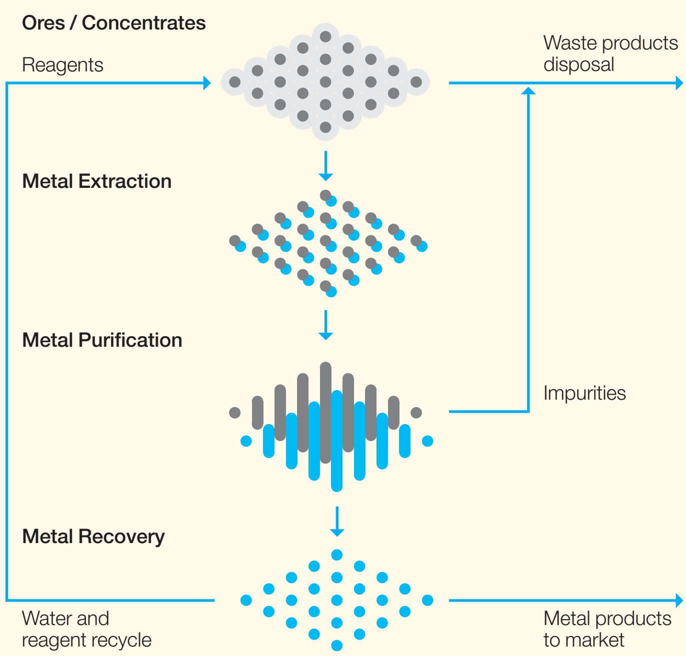
Specifically, MetaLeach is focused on hydrometallurgical solutions that add value at the mine site. In essence, the leaching technologies are environmentally friendly, cost effective and can be operated under ambient (i.e. atmospheric pressure and temperature) conditions on whole ore using either agitated tanks or heaps. Purification and concentration is achieved using solvent extraction, allowing the production of high value products (i.e. metal powder or sheets).

MetaLeach owns the intellectual property to two hydrometallurgical technologies where provisional patents have been filed, namely AmmLeach® and HyperLeach™.

The Company believes that, with the buoyant state of the international mining industry, albeit in an environment of upwards operating cost pressures, the desire to embrace new technologies will intensify.

Ammleach®

AmmLeach®, a proprietary ammonia based process for the leaching and selective extraction of base metals from high acid consuming and complex ores under ambient temperature and pressure conditions.



General hydrometallurgical metal recovery flowsheet

AmmLeach®

The AmmLeach® process is a proprietary ammonia based process for the leaching and selective extraction of base metals from high acid consuming and complex ores under ambient temperature and pressure conditions. It has particular potential for copper and zinc oxide deposits. The process utilises ammonia-based chemistry to selectively extract metals from ores. Over and above its application for high acid consuming ores, it is also a far more selective process and offers a number of significant benefits compared to conventional acid leaching processes.

The technology consists of the same three major stages as acid processes i.e. leaching, solvent extraction and electro-winning. The leaching occurs in two steps, an ore-specific pre-treatment, which converts the metals into a soluble form, and the main leaching step, which uses recycled raffinate from the solvent extraction stage. Solvent extraction is used to separate and concentrate the metals, whilst also changing from ammoniacal media to acid sulphate media from which metals can be directly electro-won using industry standard unit operations. Amongst the key benefits of the AmmLeach® process are that, unlike some new technologies, it requires no special purpose built equipment, could be a direct replacement in existing acid heap leach operations and is environmentally benign.

AmmLeach® technology is suitable for both low grade heap leaching and higher grade tank leaching; the choice is dictated by the grade and deposit economics. The difference from acid leaching is that the leaching is conducted in moderately alkaline solution with ammonia present as a complexant. The use of alkaline conditions allows the use of AmmLeach® on high-carbonate ores where acid consumption would be prohibitive.

Compared with previous ammoniacal processes, almost any ore mineralogy can be treated as the pre-treatment step is specific to each orebody. The whole AmmLeach® process is tailored to individual orebodies and consequently has substantially lower ammonia losses than earlier processes. Although in theory all the ammonia can be recovered, in practice small losses do occur.

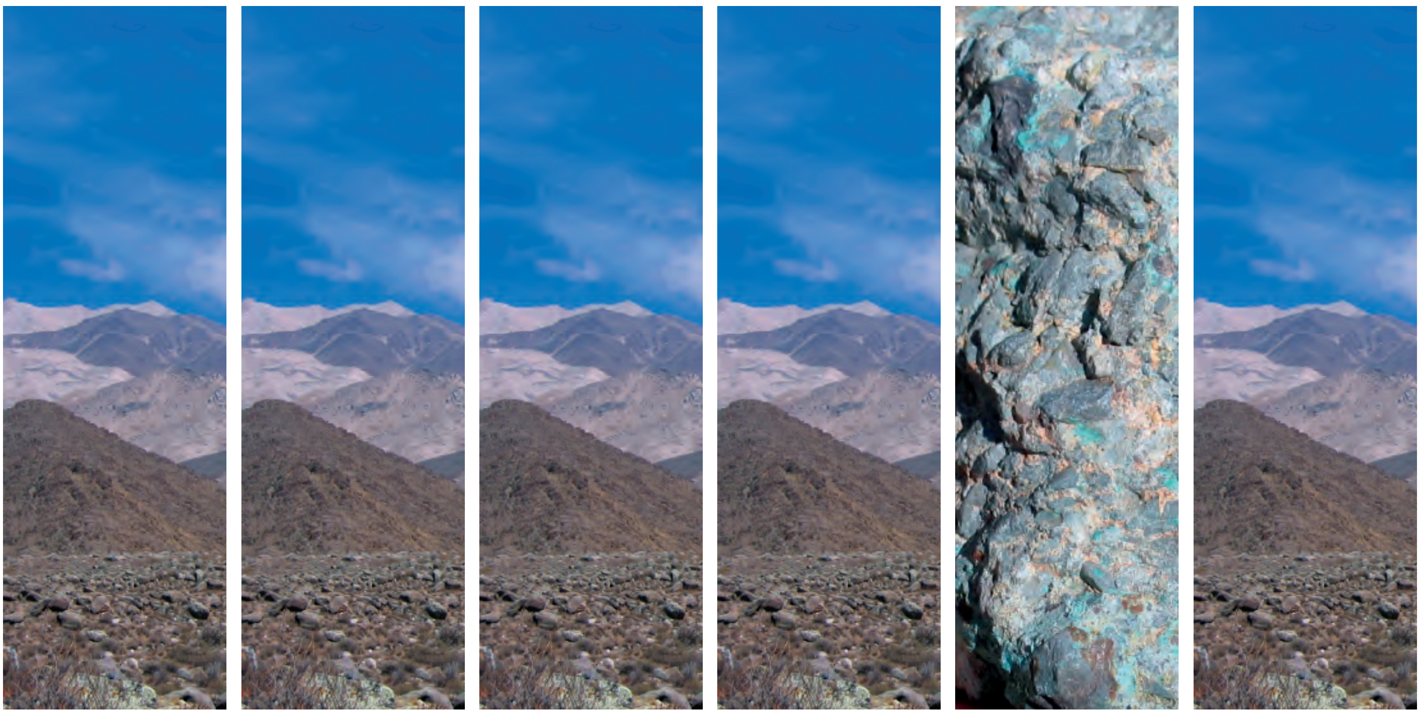
Decommissioning of the heap is extremely simple as no neutralisation is necessary and the potential for acid mine drainage is negligible. After final leaching the heap is simply washed to recover ammonia and then left to revegetate, with the residual ammonia acting as a fertiliser.

Potential Applications

The copper process has already been demonstrated at pilot plant scale at the Leon project. There is also excellent potential for a new solvent extraction and electro-winning (SX-EW) process for producing high purity zinc metal at the mine. The zinc process has been trialed successfully on a bench scale and larger scale testwork is imminent. The AmmLeach® process leaches common zinc oxide minerals with very high extraction efficiencies and offers a potentially economic processing route for many zinc oxide deposits that are currently economically unviable.

AmmLeach® has also shown preliminary promise for oxide molybdenum deposits for which there is no current processing route. Several other applications are also under investigation.

The Company believes that this technology will be of considerable commercial interest to both mining companies and zinc metal producers because it has the potential to be a highly competitive economic alternative to the processing technologies currently available.



Business review

The HyperLeach™ process has been developed for the extraction of base metals from sulphide ores and concentrates, potentially a major breakthrough for the global mining industry.

There is considerable scope for more on-site hydrometallurgical processing, such as the HyperLeach™ process, to add considerable value and generate higher returns for mine owners.

HyperLeach™

In addition to its AmmLeach® process, MetaLeach has developed a second new innovative leaching technology - HyperLeach™, for which a provisional patent application has been made. HyperLeach™ has been developed for the extraction of base metals, especially copper, zinc, nickel and cobalt, from sulphide ores and concentrates. This is potentially a major breakthrough for the global mining industry.

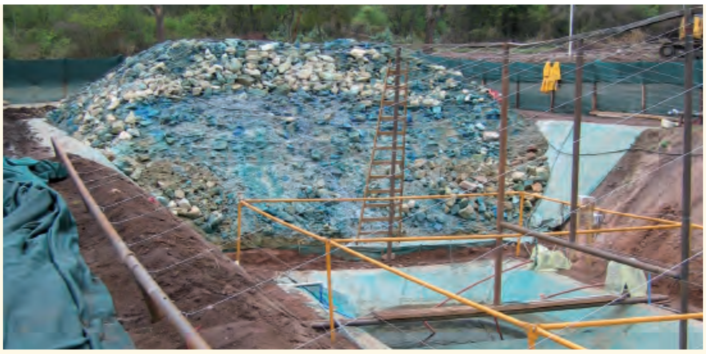
Currently, nearly all base metal sulphides are concentrated on-site using froth flotation before being shipped off site to a smelter and refinery for further processing. The costs involved in selling an ore concentrate include road transport, shipping, smelter and refinery charges and can include penalty costs imposed by the smelter that are deducted from the payable metal in the concentrate supplied. In addition, in many situations mine owners may not be paid for valuable metal by-products contained in the concentrate. Taken altogether, these charges and costs can amount to as much as 40% of the value of the contained metal produced from a mine.

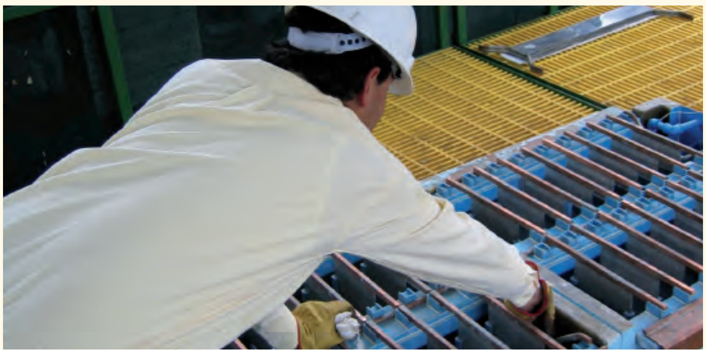
There is considerable scope to do more on-site processing to add value using hydrometallurgy to generate higher returns for mine owners. The HyperLeach™ process has been developed to produce high value metal products on-site at competitive operating costs and relatively low capital costs.

The process utilises a chlorine based oxidant to oxidise the sulphide, thereby allowing the metals to solubilise. Unlike previous chlorine based processes, HyperLeach™ does not require chlorine gas to operate and the oxidant can be

Hyperleach™

Hyperleach™ is a proprietary ambient temperature and pressure process for the leaching and selective extraction of base metals from sulphide ores and concentrates.





generated on-site using off the shelf technology. A key feature of the HyperLeach™ process is that it operates at ambient temperatures and pressure and is eminently suitable for heap leaching as well as tank leaching; the choice is dictated by the grade and deposit economics. Polymetallic deposits can be readily handled using standard solvent extraction and solution purification techniques.

The technology consists of three major stages; leaching, separation/concentration and recovery. The leaching can occur either in a heap or tank and involves contacting the ore/concentrate with a solution containing the oxidant at an appropriate concentration. Solvent extraction is used to separate and concentrate the metal(s) from solution whilst also changing from a mixed chloride/sulphate media to acid sulphate media, from which most metals can be directly electro-won using industry standard operating units.

One of the key benefits of the HyperLeach™ process is that, unlike some other technologies, it requires no special purpose built equipment, only the addition of an appropriate leaching circuit or leach pads, collection ponds and an SX-EW plant.

HyperLeach™ is presently demonstrated at laboratory scale and larger scale testwork is underway with the aim of operating the first pilot plant in late 2008/early 2009.

Commercialisation

The Company is strongly focused on commercialisation and revenue generation for its MetaLeach business. It is in discussion with over 35 companies and confidentiality agreements with several majors and juniors have been signed.

Negotiations are in progress about potential specific projects/deposits amenable to processing with AmmLeach® and HyperLeach™ technologies. Seven companies have committed to carry out initial phase metallurgical testwork programmes. This testwork will be carried out to a specification determined by MetaLeach in an independent testing laboratory covered by a confidentiality agreement.

In addition, the Company intends to maximise the potential of its technology by identifying and securing equity interests in its own right in amenable deposits.

Global mined copper production is around 16.5Mtpa, valued at over US$130bn at current prices, around a quarter of which is produced using hydrometallurgy. The Company believes that its leaching technology has the potential to increase significantly the share of worldwide copper produced using hydrometallurgical processes.

Global mined zinc production is around 12.7Mtpa, valued at US$30bn at current prices. The vast majority of world zinc metal production uses smelting to recover and refine zinc metal out of zinc-containing feed material such as zinc concentrates or zinc oxides. Development of a new hydrometallurgical process route for zinc oxides has the potential to simplify zinc refining.

Financial Review

The 2007 financial statements have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Full details of the transition to IFRS from the previous basis of accounting, UK GAAP, are set out in note 24 to the financial statements.

At 31 December 2007, the Group's assets included £8.4 million of cash and £6.9 million of exploration and feasibility study costs capitalised at the Group's major projects.

Total expenditure in the year ended 31 December 2007 was £5.5 million; including £3.8 million relating to the Group's exploration projects and £0.4 million of research and development expenditure relating to the AmmLeach® and HyperLeach™ technologies.

During the year ended 31 December 2007, the Group made a consolidated net loss after taxation of £3.5 million, compared to a loss for the year ended 31 December 2006 of £3.3 million.

Risks

Business

The business of exploring for minerals and mining involves a high degree of technical risk. In addition, like all businesses, the Group is exposed to a number of financial risks. The board adopts a prudent approach to minimise these risks as far as practicable, consistent with the corporate objective of the Group. These risks and the Company's policies are summarised below.

Technical risks

Mining industry statistics show that only a small proportion of the properties that are explored are ultimately developed into producing mines. Moreover, of these, not all provide an economic return on capital employed. The prospects and projects presently being assessed by the Group may not contain economically recoverable volumes of minerals or metals. The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Group.

As is common with all mining operations, there is uncertainty and therefore risk associated with the Group's operating parameters and therefore costs. Should economically recoverable volumes of minerals or metals be found it can take a number of years from the initial phases of drilling and identification of mineralisation until production is possible, during which time the economic feasibility of production may change.

Substantial expenditure is required to establish reserves, to conduct feasibility studies and to develop the mining and processing facilities and infrastructure. Although substantial benefits may be derived from the discovery of a significant mineralised deposit, no assurance can be given that minerals will be discovered in sufficient quantities or having sufficient grade to justify commercial operations, or that funds required for development can be obtained on a timely basis.

The economics of developing and operating mines are affected by many factors, including capital and operating costs, geological, mining and mineral processing, government regulations, importing and exporting of minerals and environmental.

Uninsured risks

In the course of exploration, development and production of mineral properties, it is not always possible to fully insure against some risks. Should such liabilities arise, they could reduce or eliminate any future profitability and have a material adverse effect on the Group's results.

Environmental and other regulatory requirements

The activities of the Group are subject to environmental regulations. A breach of such legislation may result in the imposition of fines, penalties and other adverse effects on activities.

Financial

In addition to the financial risks set out below, the disclosures set out in Note 18 to the Financial Statements set out the policies and procedures undertaken by the directors to manage the financial risk exposure of the Company and the Group.

Currency exchange risk

The Group reports its financial results in Sterling, while the markets for gold, silver and copper (and nearly all other metals) are principally denominated in US Dollars and a proportion of the Group's costs are incurred in US Dollars, Argentinean Pesos and the Peruvian Nuevo Soles. Accordingly, movements in the Sterling exchange rate with these currencies could have a detrimental effect on the Group's results or financial condition.

Liquidity

The Group to date has relied upon shareholder funding of its activities. Development of the Group's Leon project, and further exploration leading to development of one or more of the Group's other mineral properties, will be dependent upon the Group's ability to obtain financing through joint ventures, equity or debt financing or other means. Although the Group has been successful in the past in obtaining equity financing there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Commodity price risk

Factors beyond the control of the Group may affect the market price of metals and minerals mined which in turn may render operations and/or ore reserves uneconomic.

Directors and Advisers

Matthew Sutcliffe
Chairman

Matt Suttcliffe graduated from the University of Nottingham in 1990 with a PhD in mining engineering. He is also a chartered engineer and worked as a mining engineer in underground nickel mines from 1990 to 1994 with Inco Limited, within its Manitoba division. He also has additional experience in operating gold and coal mines gained whilst working with Gencor and British Coal. For 10 years before founding the Company he worked in the City of London as a mining analyst and corporate financier specialising in the resources sector.

During this time he was a mining analyst at T Hoare & Co, head of mining at Williams de Broe and a director of corporate finance at Evolution Beeson Gregory (now Evolution Securities). At Evolution Beeson Gregory, he advised a large number of public natural resources companies, as well as arranging a number of equity listings for junior and mid-tier mining and oil and gas companies on AIM. Whilst at both Williams de Broe and Evolution Beeson Gregory, he was recognised as one of the industry pioneers for listing mining companies on AIM.

		Matthew Sutcliffe Chairman
Martin Rosser Chief Executive Officer	**James Bunyan** Non-executive Director	**Roger Davey** Non-executive Director
Emil Morfett Non-executive Director		

Martin Rosser
Chief Executive Officer

Martin Rosser is a chartered mining engineer who has 26 years' practical industry and financial markets experience since graduating with a degree in mining engineering from the Camborne School of Mines in 1981.

Initially, he spent five years working as a mining engineer in Australia, both on underground and surface gold mines, including time with Western Mining Corporation as Shaft Superintendent at Central Norseman.

In 1987, he returned to the UK and worked as a mining analyst with two City stockbrokers before he joined the FSA authorised and regulated natural resources industry specialist firm of David Williamson Associates Limited (DWA - now VSA Capital Limited - VSA) in 1989 as a founder employee and then executive director.

During his time with DWA/VSA, until joining Alexander in June 2005, he developed extensive worldwide mining industry contacts in the course of providing corporate finance and investor relations services to the firm's clients seeking exposure to European investment institutions.

From 2002, until its takeover by Lonmin plc in January 2007, he was a non-executive director of AfriOre Limited.

James Bunyan
Non-executive Director

James Bunyan, who joined the board in April 2005, holds an MBA from Warwick University and a BSc in Biochemistry from Heriot-Watt. He specialises in corporate development with international business development across a broad range of industrial and commercial sectors worldwide.

Mr Bunyan has proven business skills in strategic business planning, mergers, acquisitions, disposals, turnarounds and fundraising, with particular experience in mining. Mr Bunyan was for five years a director of Tiberon Minerals Ltd, which developed the Nui Phao deposit in Vietnam from an exploration concept to one of the largest Tungsten polymetallic deposits in the world.

Roger Davey
Non-executive Director

Roger Davey is a chartered mining engineer and a graduate of the Camborne School of Mines, with over 30 years' experience in the mining industry. He is presently an Assistant Director and the Senior Mining Engineer at N M Rothschild (London) in the Mining and Metals project finance team, where for the last ten years he has had responsibility for the assessment of the technical risks associated with current and prospective project loans. Mr Davey was appointed to the board of Alexander in August 2006.

Prior to this, his experience covered the financing, development and operation of both underground and surface mining operations in gold and base metals at senior management and Director level in South America, Africa and the United Kingdom. This includes, from 1994 – 1997, being the General Manager of Minorco (AngloGold) subsidiaries in Argentina, where he was responsible for the development of the US$270m Cerro Vanguardia gold-silver mine.

Emil Morfett
Non-executive Director

Emil, who joined the board in November 2007, has over 28 years' of relevant experience, with eight years in the mining industry and twenty years in mining finance.

He graduated with a B.Sc. in geology from the University of London and worked for Rio Tinto in Saudi Arabia. As a mature student, he completed an M.Sc. in mineral exploration at Queens University, Ontario, Canada. He then worked in Johannesburg for Goldfields of South Africa, first as a geologist and then a valuator in the mineral economics department.

In 1987, he moved to London to work as a mining analyst for Laurence Prust Stockbrokers and subsequently, in 1988, Smith New Court. In 1993 he became the Global Head of Mining Research at Bank Paribas and left in 1997 to become Vice President and Head of Mining Research for J P Morgan in London. During this period he was involved in many major mining transactions with a variety of responsibilities.

In 2001, he founded his own consulting business (Millstone Grit Limited, of which he is Managing Director), providing both equity and debt focused mining research and strategic advice. He continues to provide independent, bespoke research and financial analysis of mining companies and projects to select hedge funds, merchant banks and mining companies.

He is currently a non-executive director of Greystar Resources Limited, a Toronto Stock Exchange and AIM listed explorer preparing for the feasibility study on a world-class gold deposit in Colombia.

Company Secretary

P Gardner

Directors

M L Sutcliffe
M L Rosser
J S Bunyan
R O Davey
E M Morfett

Company Registration No

5357433

Registered Office

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London W1J 0DW
United Kingdom

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA

Nominated Adviser and Broker

Arbuthnot Securities Limited
Arbuthnot House
20 Ropemaker Street,
London EC2Y 9AR

Solicitors to the Company

Norton Rose LLP
3 More London Riverside
London SE1 2AQ

Geological Consultants

ACA Howe International Limited
254 High Street
Berkhamstead
Hertfordshire HP4 1AQ

Bankers

HSBC Bank plc
455 Strand
London WC2R 0RH

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

Corporate and social responsibility

The Group's core values are:

- To be a good corporate citizen, demonstrating integrity in each business and community in which we operate
- To be open and honest in all our dealings, while respecting commercial and personal confidentiality
- To be objective, consistent and fair with all our stakeholders
- To respect the dignity and wellbeing of all our stakeholders and all those with whom we are involved
- To operate professionally in a performance-orientated culture and be committed to continuous improvement

Our Stakeholders
We are committed to developing mutually beneficial partnerships with our stakeholders throughout the life cycle of our activities and operations. Our principal stakeholders include our shareholders; employees, their families, and employee representatives; the communities in which we operate; our business partners and local and national governments.

Environmental Policy
The Group is aware of the potential impact that its operations may have on the environment. It will ensure that all of its activities and operations incur the minimum environmental impact possible.

The Group intends to meet or exceed international standards of excellence with regard to environmental matters. Our operations and activities will be in compliance with applicable laws and regulations. We will adopt and adhere to standards that are protective of both human health and the environment. For our operations we will develop and implement closure and reclamation plans that provide for long-term environmental stability and suitable post-mining beneficial land-uses at all relevant sites.

Each employee (including contractors) will be held accountable for ensuring that those employees, equipment, facilities and resources within their area of responsibility are managed to comply with this policy and to minimise environmental risk.

Ethical Policy
The Group is committed to comply with all laws, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Where laws and regulations are non-existent or inadequate, we will maintain the highest reasonable standards appropriate. We will in an accurate, timely and verifiable manner, consistently disclose material information about the Group and its performance. This will be readily understandable by appropriate regulators, our stakeholders and the public. We will endeavour to make sure that no employee acts in a manner that would in any way contravene these principles. The Group will take the appropriate disciplinary action concerning any contravention.

Community Policy
The Group's aim is to have a positive impact on the people, cultures and communities in which it operates. It will be respectful of local and indigenous people, their values, traditions, culture and the environment. The Group will also strive to ensure that surrounding communities are informed of, and where possible, involved in, developments which affect them, throughout the life cycle of our operations. It will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution.

Labour Policy
The Group is committed to upholding fundamental human rights and, accordingly, we seek to ensure the implementation of fair employment practices. The Group will also commit to creating workplaces free of harassment and unfair discrimination.

Health & Safety Policy
The Group is committed to complying with all relevant occupational health and safety laws, regulations and standards. In the absence thereof, standards reflecting best practice will be adopted.

Corporate governance

Code of best practice

The listing rules of the Financial Services Authority incorporate the Combined Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. The Board intends that, so far as is relevant for a company of its size and stage of development, it will comply with the Combined Code. The Board has established appropriately constituted Audit and Remuneration Committees with formally delegated responsibilities.

The Board of Directors

The Board of Directors currently comprises five members, two executive directors and three non-executive directors. The Board has a wealth of both corporate finance and mining experience, from exploration, development and through to production. The structure of the Board ensures that no one individual or group dominates the decision making process.

The Board ordinarily meets on a monthly basis providing effective leadership and overall management of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of financial statements. All directors have access to the advice and services of the Company's solicitors and the Company Secretary who is responsible for ensuring that all Board procedures are followed. Any director may take independent professional advice at the Company's expense in the furtherance of their duties.

The Audit Committee

The Audit Committee, which meets not less than twice a year, considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee, which comprises Mr J Bunyan (Chairman) and Mr R Davey, receives reports from management and external auditors to enable it to fulfil its responsibility for ensuring that the financial performance of the Group is properly monitored and reported on. In addition, it keeps under review the scope, cost and results of the external audit, and the independence and objectivity of the external auditors.

The Remuneration Committee

The Remuneration Committee, which meets when necessary, is responsible for making recommendations to the Board on directors' and senior executives' remuneration. The committee comprises Mr R Davey (Chairman) and Mr J Bunyan. Non-executive directors' remuneration and conditions are considered and agreed by the Board.

Financial packages for executive directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognised job qualifications and skills. The Committee will also have regard to the terms which may be required to attract the equivalent experienced executive to join the Board from another company.

Internal Controls

The directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst the directors acknowledge that no internal control system can provide absolute assurance against material misstatement or loss, they have reviewed the controls that are in place and are taking the appropriate action to ensure that the systems continue to develop in accordance with the growth of the Group.

Relations with Shareholders

The Board attaches great importance to maintaining good relations with its shareholders. Extensive information about the Group's activities is included in the Annual Report and Accounts and Interim Reports, which are sent to all shareholders. Market sensitive information is regularly released to all shareholders concurrently in accordance with stock exchange rules. The Annual General Meeting provides an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. The Company maintains a corporate website where information on the Group is regularly updated and all announcements are posted as they are released. The Company welcomes communication from both its private and institutional shareholders.

Share dealing

The Company has adopted a share dealing code for directors and relevant employees in accordance with the AIM Rules and will take proper steps to ensure compliance by the directors and those employees.

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2007.

Principal activities

The principal activities of the Group are the exploration for, and the development of, base and precious metals mining projects; and the commercialisation of the Group's proprietary mineral processing technologies.

Business Review

A review of the business and the future developments of the Group is set out on pages 4 to 15.

Results

The Group made a consolidated net loss for the year of £3,492,000 (2006: £3,346,000 as restated on adoption of International Financial Reporting Standards). The directors do not recommend the payment of a dividend (2006: nil).

Research and development

The Group, through its wholly owned subsidiary MetaLeach Limited, is involved in the ongoing research and development of its proprietary mineral processing technologies, AmmLeach® and HyperLeach™.

Financial Risk Management

The Group's approach to financial risk management is addressed in the Business Review on page 15 with additional disclosures set out in note 18 to the Financial Statements.

Going concern and project finance

In common with many mining/exploration companies, the Group raises finance in discrete tranches to fund its activities. When any of the Group's projects move to the development stage specific financing is sought, comprising an appropriate mix of debt and/or equity.

In order to develop the Group's Leon project in Argentina further financing will be required. In light of the current uncertainty regarding the fiscal regime for mining companies in Argentina, the Group is taking a pragmatic view on its options for the scale and associated financing requirements of this development. Dependent on the scale of the development, the Group will raise finance by way of an appropriate mix of debt and equity. Standard Bank plc was appointed in September 2007 as the exclusive arranger and underwriter, subject to due diligence, negotiation and execution of a detailed term sheet, for the project. There can, however, be no assurance that the Group will be able to obtain adequate financing in the future from Standard Bank, other debt finance providers, or the equity markets for this purpose or that the terms of such financing will be favourable.

Notwithstanding the above, based on a review of the Group's budgets and cash flows, the directors are satisfied that the Group has sufficient cash resources to continue its operations and to meet its commitments for the foreseeable future. The accounts have therefore been prepared on a going concern basis.

Share capital and share options

Details of the share capital of the Company at 31 December 2007 are set out in note 14 to the financial statements. Details of the share options outstanding at 31 December 2007 are set out in note 20 to the financial statements.

An ordinary resolution will be proposed at the Annual General Meeting to grant the directors authority to allot unissued shares up to an aggregate nominal value of £6,726,733, which is equal to approximately one half of the issued ordinary share capital of the Company.

A special resolution will be proposed at the Annual General Meeting to grant the directors authority to allot unissued shares for cash without first offering them to existing shareholders, limited to an aggregate nominal amount of £6,726,733 which is equal to approximately one half of the issued ordinary share capital of the Company.

Details of the resolutions to be proposed at the Annual General Meeting are set out on pages 47 to 49.

Directors

The directors of the Company who held office at the year-end and their beneficial interests in the shares of the Company are as follows:

		Shares held at 31 December 2007 Number	Shares held at 31 December 2006 Number
M L Sutcliffe	Executive Chairman	**10,906,000**	10,906,000
M L Rosser	Chief Executive Officer	**–**	–
J S Bunyan	Non-Executive	**–**	–
R O Davey	Non-Executive	**–**	–
E M Morfett (appointed 28 November 2007)	Non-Executive	**–**	–
		10,906,000	10,906,000

Messrs J W Ashcroft, G V Lewis and D R Norwood resigned as directors of the Company on 1 October 2007.

Messrs T M McConnachie and R D Rossiter were appointed as directors of the Company on 1 October 2007 and resigned on 27 November 2007.

In accordance with the Company's Articles of Association, Mr E M Morfett, who was appointed during the year, will retire and Mr J S Bunyan will retire by rotation at the Annual General Meeting, and being eligible, both offer themselves for re-election.

Other than their service contracts, no director has a material interest in a contract with the Company. Details of directors' remuneration are set out in note 4 to the financial statements.

During the year, directors' and officers' liability insurance was maintained for directors and other officers of the Group as permitted under legislation.

The directors' interests in share options are as follows:

	Options held at 31 December 2007	Exercise price (pence)	Date of grant	First date of exercise	Final date of exercise
M L Sutcliffe	1,000,000	30p	23 March 2005	23 March 2007	22 March 2015
M L Rosser	500,000	30p	31 May 2005	31 May 2007	30 May 2015
M L Rosser	250,000	30p	1 August 2006	1 August 2008	31 July 2016
M L Rosser	500,000	17.25p	20 December 2007	20 December 2009	19 December 2017
J S Bunyan	250,000	30p	23 March 2005	23 March 2007	22 March 2015
R O Davey	250,000	30p	1 August 2006	1 August 2008	31 July 2016
E M Morfett	250,000	20.5p	28 November 2007	28 November 2009	27 November 2017

No options held by directors were exercised or lapsed during this period.

Substantial shareholders

Details of the Company's substantial shareholders are set out on the Company's web-site at www.alexandermining.com.

Directors' report

Payment of suppliers
The Group's policy on the payment of suppliers is to settle the terms of the payments with those suppliers when agreeing the terms of each transaction; ensure that those suppliers are made aware of the terms of payment; and abide by the terms of payment.

At the year-end there were 10 days (2006: 30 days) purchases in Group trade creditors.

Political and charitable contributions
The Group has made no political or charitable donations in the year (2006: nil).

Annual General Meeting ("AGM")
The Notice convening the Company's AGM, to be held on 4 June 2008, is set out on page 47 of this report. Full details of the resolutions proposed at that meeting may be found in the Notice.

Corporate governance statement
A report on corporate governance and compliance with provisions of the Combined Code is set out on page 19.

Provision of information to auditors
In the case of each of the directors who are directors of the Company at the date when this report is approved:

- So far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Auditors
PKF (UK) LLP have confirmed their willingness to continue in office, and a resolution concerning their re-appointment and remuneration will be proposed at the next Annual General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the Company financial statements in accordance with those standards. The financial statements are required to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

By Order of the Board

Peter Gardner
Company Secretary
17 April 2008

Independent auditors' report to the members of Alexander Mining plc

We have audited the group and parent company financial statements ('the financial statements') of Alexander Mining plc for the year ended 31 December 2007 which comprise the consolidated income statement and the consolidated and company balance sheets, statement of recognised income and expense and cash flow statements and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. The information in the directors' report includes that specific information presented in the business review that is cross referenced from the business review section of the directors' report.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the directors' report, the chairman's statement, the business review and the statement on corporate and social responsibility. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the group's affairs as at 31 December 2007 and of its loss for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 31 December 2007;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements.

PKF (UK) LLP

PKF (UK) LLP
Registered Auditors
London, UK
18 April 2008

Consolidated income statement

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Continuing operations			
Revenue		**–**	–
Cost of sales		**–**	–
Gross profit		**–**	–
Administrative expenses		**(2,122)**	(2,510)
Exploration and development expenses		**(1,351)**	(931)
Research and development expenses		**(410)**	–
Operating loss	2	**(3,883)**	(3,441)
Investment income	5	**593**	784
Finance costs	6	**(144)**	(669)
Loss before tax		**(3,434)**	(3,326)
Income taxes	7	**(58)**	(20)
Loss for the year		**(3,492)**	(3,346)
Basic and diluted loss per share (pence)	8	**(2.60)p**	(2.49)p

Consolidated balance sheet

As at 31 December 2007

	Notes	2007 £'000	2006 £'000
Assets			
Property, plant & equipment	9	**178**	167
Intangible fixed assets	10	**6,857**	4,260
Available for sale investments	11	**122**	151
Total non-current assets		**7,157**	4,578
Other receivables and prepayments	12	**153**	222
Cash and cash equivalents	13	**8,442**	13,998
Total current assets		**8,595**	14,220
Total assets		**15,752**	18,798
Equity			
Issued share capital	14	**13,453**	13,453
Share premium	15	**11,850**	11,850
Merger reserve	15	**(2,487)**	(2,487)
Share option reserve	15	**1,005**	833
Translation reserve	15	**(357)**	(399)
Fair value reserve	15	**22**	51
Retained losses	15	**(8,370)**	(4,878)
Total equity		**15,116**	18,423
Liabilities			
Current liabilities			
Trade and other payables	16	**597**	375
Non-current liabilities			
Provisions	17	**39**	–
Total Liabilities		**636**	375
Total equity and liabilities		**15,752**	18,798

These financial statements were approved by the Board of Directors and authorised for issue on 17 April 2008 and were signed on their behalf by:

M L Rosser
Director

Company balance sheet

As at 31 December 2007

	Notes	2007 £'000	2006 £'000
Assets			
Property, plant & equipment	9	**1**	27
Intangible fixed assets	10	**39**	31
Investments in subsidiaries	11	**6,787**	6,787
Available for sale investments	11	**122**	151
Long term receivables	12	**164**	3,245
Total non-current assets		**7,113**	10,241
Other receivables and prepayments	12	**99**	193
Cash and cash equivalents	13	**8,107**	13,363
Total current assets		**8,206**	13,556
Total assets		**15,319**	23,797
Equity			
Issued share capital	14	**13,453**	13,453
Share premium	15	**11,850**	11,850
Share option reserve	15	**1,005**	833
Fair value reserve	15	**22**	51
Retained losses	15	**(11,214)**	(2,561)
Total equity		**15,116**	23,626
Liabilities			
Trade and other payables	16	**203**	171
Total current liabilities		**203**	171
Total equity and liabilities		**15,319**	23,797

These financial statements were approved by the Board of Directors and authorised for issue on 17 April 2008 and were signed on their behalf by:

M L Rosser
Director

Consolidated cash flow statement

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Cash flows from operating activities			
Operating loss		**(3,883)**	(3,441)
Depreciation and amortisation charge		**51**	42
(Increase)/decrease in other receivables and prepayments		**(20)**	210
Increase in trade and other payables		**228**	172
Share option charge		**172**	496
Intangible fixed assets written-off or provided for		**1,351**	931
Income taxes paid		**(75)**	(3)
Net cash outflow from operating activities		**(2,176)**	(1,593)
Cash flows from investing activities			
Interest received		**682**	887
Interest paid		**(19)**	–
Acquisition of property, plant and equipment		**(238)**	(84)
Acquisition of intangible fixed assets		**(3,768)**	(3,512)
Net cash outflow from investing activities		**(3,343)**	(2,709)
Net decrease in cash and cash equivalents		**(5,519)**	(4,302)
Cash and cash equivalents at beginning of period		**13,998**	19,000
Exchange differences		**(37)**	(700)
Cash and cash equivalents at end of period	13	**8,442**	13,998

Consolidated statement of recognised income and expense

For the year ended 31 December 2007

	2007 £'000	2006 £'000
Exchange differences on translation of foreign operations	**42**	(399)
(Loss)/gain on available for sale investments	**(29)**	51
Loss for the period	**(3,492)**	(3,346)
Total recognised income and expense for the period	**(3,479)**	(3,694)

All recognised income and expense is attributable to the equity holders of the parent.

Company cash flow statement

For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Cash flows from operating activities			
Operating loss		**(9,134)**	(1,839)
Depreciation and amortisation charge		**27**	27
Decrease in other receivables and prepayments		**4**	204
Increase in trade and other payables		**32**	16
Share option charge		**172**	496
Intangible fixed assets written-off or provided for		**10**	27
Inter-company recharges		**(91)**	(283)
Provision against inter-company debt		**7,489**	–
Net cash outflow from operating activities		**(1,491)**	(1,352)
Cash flows from investing activities			
Increase in loans to subsidiaries		**(4,248)**	(4,189)
Interest received		**666**	875
Acquisition of property, plant and equipment		**(1)**	(1)
Acquisition of intangible fixed assets		**(87)**	(154)
Net cash outflow from investing activities		**(3,670)**	(3,469)
Net decrease in cash and cash equivalents		**(5,161)**	(4,821)
Cash and cash equivalents at beginning of period		**13,363**	18,832
Exchange differences		**(95)**	(648)
Cash and cash equivalents at end of period	13	**8,107**	13,363

Company statement of recognised income and expense

For the year ended 31 December 2007

	2007 £'000	2006 £'000
(Loss)/gain on available for sale investments	**(29)**	51
Loss for the period	**(8,653)**	(1,714)
Total recognised income and expense for the period	**(8,682)**	(1,663)

Accounting policies

For the year ended 31 December 2007

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated, and in preparing an opening International Financial Reporting Standards ("IFRS") balance sheet at 1 January 2006 for the purpose of transition to IFRS.

a) Basis of preparation

These financial statements have been prepared for the first time in accordance with IFRS as adopted by the European Union, and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The disclosures required by IFRS 1 (First Time Adoption of International Financial Reporting Standards) concerning the transition from UK GAAP to IFRS are given in note 24.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in accounting policy note n.

A separate income statement for the parent company has not been presented as permitted by section 230(4) of the Companies Act 1985.

The financial statements are prepared in accordance with IFRS and interpretations in force at the reporting date. The Company has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements

Exemptions taken on first time adoption of IFRS 1

Business combinations: Business combinations made prior to 1 January 2006 were accounted for in accordance with the relevant UK GAAP at the time. The transitional requirements of IFRS 1 allow prospective application for all business combinations subsequent to the transition date (1 January 2006). Accordingly these combinations have not been re-stated in accordance with that standard.

Share based payment transactions: The Group has elected to apply IFRS 2 (Share Based Payments) only to awards of equity instruments made after 7 November 2002 that had not vested by 1 January 2006.

Cumulative translation differences: The Group has elected to set the previously accumulated translation difference to zero at the date of transition.

Fair value or revaluation as deemed cost: The Group has chosen not to restate items of property, plant and equipment to fair value at the transition date.

b) Basis of consolidation

i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

iii) Business combinations

Business combinations made prior to 1 January 2006 were accounted for in accordance with the relevant UK GAAP at the time. The transitional requirements of IFRS 1 allow prospective application for all business combinations subsequent to the transition date (1 January 2006). Accordingly these combinations have not been re-stated in accordance with that standard.

For subsequent business combinations, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill, which is subsequently tested for impairment rather than amortised. If the cost of the acquisition is less than the fair value of net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

c) Foreign currency

The Company's functional and presentational currency is Sterling rounded to the nearest thousand and is the currency of the primary economic environment in which the Group operates.

i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

ii) Financial statements of foreign operations

On consolidation, the assets and liabilities of the Group's overseas operations that do not have a Sterling functional currency are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period in which the operation is disposed of.

iii) Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the translation reserve. They are released into the income statement upon disposal of the foreign operation.

d) Intangible fixed assets

Deferred exploration and evaluation costs

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred. Costs associated with large scale early stage exploration activity to identify specific targets for detailed exploration and evaluation work are recognised in the income statement as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads. Deferred exploration costs are carried at historical cost less any impairment losses recognised.

If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the ore reserves on a unit of production basis.

The recoverability of deferred exploration and evaluation costs is dependent upon the discovery of economically recoverable ore reserves, the ability of the Group to obtain the necessary financing to complete the development of ore reserves and future profitable production or proceeds from the disposal thereof.

e) Property, plant and equipment

i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy f below).

ii) Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Accounting policies

For the year ended 31 December 2007

iii) Depreciation
Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Land is not depreciated. The estimated useful lives of all other categories of assets are three years.

The residual value is assessed annually. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are included in the income statement.

f) Impairment
Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances apply:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in metal prices or other key financial factors that render the project uneconomic; and
- variations in the exchange rate for the functional currency of the operation.

g) Financial instruments
i) Investments
Equity financial instruments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses. When these investments are sold the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

ii) Trade and other receivables
Trade and other receivables are not interest bearing and are stated at amortised cost.

iii) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

iv) Trade and other payables
Trade and other payables are not interest bearing and are stated at amortised cost.

h) Share based payment transactions
The Group has applied the requirements of IFRS 2, in accordance with the transitional provisions, to all equity instruments granted after 7 November 2002 which had not vested at 1 January 2006. Directors, senior executives, employees and consultants of the Group have been granted options to subscribe for ordinary shares. All options are share settled.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted, at date of grant, and this is expensed on a straight line basis over the estimated vesting period. This estimate is determined using an appropriate valuation model considering the effects of the vesting conditions, expected exercise period and the payment of dividends by the Company.

i) Operating lease payments
Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

j) Share capital
The Company's ordinary shares are classified as equity.

k) Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

l) Taxation
The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

m) Segment reporting
A segment is a component of the Group distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments.

n) Critical accounting estimates and judgements
The preparation of financial statements under the principles of IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below. Areas of judgement that have the most significant effect on the amounts recognised in the financial statements are:

- Capitalisation and impairment of exploration and evaluation costs - accounting policy notes d and f.
- Estimation of share based payment costs - accounting policy note h.
- Environmental provisions – accounting policy note k.
- Research and development – accounting policy note o.

o) Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives as follows:

- patents and trademarks 10 - 20 years
- capitalised development costs 5 - 10 years

Notes to the financial statements

For the year ended 31 December 2007

1. Analysis of segmental information

The Group is organised into two main operating divisions: exploration for base and precious metals mining projects; and commercialisation of mineral processing technologies. These divisions are the basis on which the Group reports its primary segment information.

The Group's operating divisions operate in three principal geographical areas: South America; Europe; and the rest of the world.

There was no Group turnover in the year (2006: nil).

Business segments	Exploration		Mineral processing technologies		Unallocated		Total	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
Administrative expenses	**(566)**	(304)	**(4)**	–	**(1,552)**	(2,206)	**(2,122)**	(2,510)
Exploration and development expenses	**(1,351)**	(931)	**–**	–	**–**	–	**(1,351)**	(931)
Research and development expenses	**–**	–	**(410)**	–	**–**	–	**(410)**	–
Segment result	**(1,917)**	(1,235)	**(414)**	–	**(1,552)**	(2,206)	**(3,883)**	(3,441)
Investment income							**593**	784
Finance costs							**(144)**	(669)
Income taxes							**(58)**	(20)
Loss for the year							**(3,492)**	(3,346)
Other information								
Segment assets	**7,034**	4,399	**–**	–	**8,718**	14,399	**15,752**	18,798
Segment liabilities	**(372)**	(113)	**(14)**	–	**(250)**	(262)	**(636)**	(375)
Capital expenditure	**4,206**	3,315	**–**	–	**1**	1	**4,207**	3,316
Depreciation	**(176)**	(116)	**–**	–	**(27)**	(27)	**(203)**	(143)
Non-cash expenditure	**–**	–	**–**	–	**(172)**	(496)	**(172)**	(496)
Impairment	**(1,351)**	(931)	**–**	–	**–**	–	**(1,351)**	(931)

Geographical segments	Segment assets		Capital expenditure		Loss for the period	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
South America	**7,197**	4,553	**4,206**	3,315	**(1,508)**	(977)
Europe	**8,550**	14,240	**1**	1	**(1,255)**	(1,997)
Rest of the World	**5**	5	**–**	–	**(729)**	(372)
	15,752	18,798	**4,207**	3,316	**(3,492)**	(3,346)

2. Operating loss

Operating loss is stated after charging:

	The Group	
	2007 £'000	2006 £'000
Depreciation[1]	**51**	42
Operating lease expense	**92**	82
Share based payments (see note 20)	**172**	496
Research and development expenses	**410**	–
Exploration costs provided for and written-off	**1,351**	931

[1]In addition to the above depreciation expensed in the income statement an amount of £152,000 (2006: £101,000) was capitalised within intangible fixed assets (deferred exploration costs).

Notes to the financial statements

For the year ended 31 December 2007

3. Auditors' remuneration

	The Group	
	2007 £'000	2006 £'000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	**31**	20
Fees payable to the Group's auditors and its associates for other services:		
The audit of the Group's subsidiaries pursuant to legislation	**12**	5
Other services pursuant to legislation	**12**	11
Tax services	**15**	9
Other services	**2**	4
	72	49

4. Directors and employees

Staff costs during the period were as follows:

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Directors' emoluments	**394**	418	**394**	418
Other staff wages and salaries	**909**	523	**321**	320
Social security costs	**240**	103	**62**	54
Share based payments	**172**	496	**172**	496
	1,715	1,540	**949**	1,288

Included within Group staff costs above are £306,000 of other staff wages and salaries, which have been capitalised within exploration costs (2006: £215,000).

The Group does not contribute towards pension schemes either in the UK or overseas.

The average number of employees (including executive directors) during the period was:

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Technical	**49**	24	**5**	5
Administration	**10**	5	**4**	4
	59	29	**9**	9

4. Directors and employees (continued)

Directors' remuneration is set out below:

	Annual salary £'000	Fees £'000	Other benefits £'000	Total £'000
2007				
M L Sutcliffe	**143**	**–**	**21**	**164**
M L Rosser	**98**		**–**	**98**
R O Davey	**–**	**25**	**–**	**25**
J S Bunyan	**–**	**30**	**–**	**30**
E M Morfett (appointed 28 Nov 2007)	**–**	**2**	**–**	**2**
G V Lewis (resigned 1 Oct 2007)	**–**	**25**	**–**	**25**
D R Norwood (resigned 1 Oct 2007)	**–**	**25**	**–**	**25**
J W Ashcroft (resigned 1 Oct 2007)	**–**	**25**	**–**	**25**
	241	**132**	**21**	**394**
2006				
M L Sutcliffe	130	–	15	145
J R Hodder (resigned 1 Sep 06)	11	72	–	83
M L Rosser	38	–	–	38
R O Davey	–	10	–	10
G V Lewis	53	12	–	65
J S Bunyan	–	37	–	37
D R Norwood	–	20	–	20
J W Ashcroft	–	20	–	20
	232	171	15	418

5. Investment income

	2007 £'000	2006 £'000
Interest on short term bank deposits	**593**	784

6. Finance costs

	2007 £'000	2006 £'000
Interest on bank overdraft	**19**	–
Exchange differences on foreign currency cash balances	**125**	669
	144	669

Notes to the financial statements

For the year ended 31 December 2007

7. Income taxes

The current tax charge for the period differs from the credit resulting from the loss before tax at the standard rate of corporation tax in the UK. The differences are explained below:

	2007 £'000	2006 £'000
Loss before tax	**(3,434)**	(3,326)
Current tax at 30% (2006: 30%)	**(1,030)**	(998)
Effects of:		
Expenses not deductible for tax purposes	**213**	290
Income not taxable	**(8)**	–
Qualifying depreciation in excess of capital allowances	**(2)**	3
Unrelieved tax losses arising in the period	**827**	705
Minimum income tax charge arising in overseas subsidiary[1]	**(58)**	(20)
Tax on loss on ordinary activities	**(58)**	(20)

[1]Argentinean income tax charge based on net asset value.

Unrecognised deferred tax assets

	2007 £'000	2006 £'000
Cumulative tax losses	**1,326**	775
Accelerated capital allowances	**4**	–
Unrecognised deferred tax asset at end of period	**1,330**	775

Deferred tax assets relating to trading losses carried forward have not been recognised in the accounts because there is insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

8. Loss per share

The calculation of loss per share is based on a loss after tax of £3,492,000 for the year ended 31 December 2007 (31 December 2006: loss of £3,346,000) and the weighted average number of shares in issue in the year to 31 December 2007 of 134,534,667 (31 December 2006: 134,534,667).

There is no difference between the diluted loss per share and the loss per share presented. Share options granted to employees could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the period presented.

9. Property, plant & equipment

The Group

	Office equipment and furniture £'000	Leasehold improvements £'000	Motor vehicles £'000	Exploration equipment £'000	**Total £'000**
Cost					
As at 1 January 2006	59	35	19	208	**321**
Exchange differences	–	–	–	(3)	**(3)**
Additions	38	–	16	29	**83**
As at 31 December 2006	97	35	35	234	**401**
Exchange differences	(5)	–	–	(11)	**(16)**
Additions	42	10	–	177	**229**
Disposals	(1)	–	–	–	**(1)**
As at 31 December 2007	**133**	**45**	**35**	**400**	**613**
Depreciation					
As at 1 January 2006	(19)	(11)	(7)	(54)	**(91)**
Exchange differences	–	–	–	–	**–**
Charged in year	(31)	(12)	(12)	(88)	**(143)**
As at 31 December 2006	(50)	(23)	(19)	(142)	**(234)**
Exchange differences	–	–	–	2	**2**
Charged in year	(44)	(15)	(11)	(133)	**(203)**
As at 31 December 2007	**(94)**	**(38)**	**(30)**	**(273)**	**(435)**
Net book value					
As at 31 December 2007	**39**	**7**	**5**	**127**	**178**
As at 31 December 2006	47	12	16	92	**167**

The Company

	Office equipment and furniture £'000	Leasehold improvements £'000	**Total £'000**
Cost			
As at 1 January 2006	43	35	**78**
Additions	1	–	**1**
As at 31 December 2006	44	35	**79**
Additions	1	–	**1**
As at 31 December 2007	**45**	**35**	**80**
Depreciation			
As at 1 January 2006	(14)	(11)	**(25)**
Charged in year	(15)	(12)	**(27)**
As at 31 December 2006	(29)	(23)	**(52)**
Charged in year	(15)	(12)	**(27)**
As at 31 December 2007	**(44)**	**(35)**	**(79)**
Net book value			
As at 31 December 2007	**1**	**–**	**1**
As at 31 December 2006	15	12	**27**

Notes to the financial statements

For the year ended 31 December 2007

10. Intangible fixed assets

The Group

	2007 £'000	2006 £'000
Deferred exploration costs		
At beginning of period	**4,260**	2,123
Additions	**3,978**	3,233
Written-off[1]	**(1,316)**	(610)
Provision[2]	**(35)**	(321)
Exchange difference	**(30)**	(165)
At end of period	**6,857**	4,260

[1]Deferred exploration costs at the Group's Trinidad and Arbol Solo projects were written-off during the year because exploration results did not suggest the presence of economic mineralisation. Costs associated with the Leon Regional exploration programme were written-off during the year because the programme did not result in the discovery of specific mineral targets considered to be of economic interest. In addition, some further costs incurred for the Group's Sulcha project (which was written-off during 2006) were written-off in 2007. All deferred exploration costs written-off in the year are included in the income statement within exploration and development expenses.

[2]During 2007 a provision has been made against some further costs associated with the Group's Rachaite project, which was fully provided for at 31 December 2006, pending the outcome of ongoing joint venture negotiations. All deferred exploration costs provided for in the year are included in the income statement within exploration and development expenses.

The Company

	2007 £'000	2006 £'000
Cost and net book value		
At beginning of period	**31**	54
Additions	**87**	154
Written-off[1]	**(10)**	(15)
Provision	**–**	(12)
Transfer to subsidiary[2]	**(69)**	(150)
At end of period	**39**	31

[1]Deferred exploration costs at the Group's Trinidad and Arbol Solo projects were written-off during the year.

[2]Deferred exploration costs at the Group's Leon project have been recharged to Alexander Gold Group Limited under an inter-company service agreement during the year.

11. Investments

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Subsidiary undertakings (a)	**–**	–	**6,787**	6,787
Available for sale investments (b)	**122**	151	**122**	151
	122	151	**6,909**	6,938

11. Investments (continued)

(a) Company subsidiary undertakings

As at 31 December 2007, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Holding	Business Activity	Country of Incorporation
Alexander Gold Group Limited[1]	100%	Exploration	British Virgin Islands
AmmLeach Limited[2, 4]	100%	Leaching technology development	British Virgin Islands
Molinetes (BVI) Limited	100%	Investment holding	British Virgin Islands
CIA Minera Molinetes SAC[3]	100%	Exploration	Peru
CIA Minera Sulcha SAC[2]	100%	Exploration	Peru

[1]operates a branch in Argentina.

[2]owned by Alexander Gold Group Limited.

[3]owned by Molinetes (BVI) Limited.

[4]On 6 February 2008 the company name was changed to HyperLeach Limited and on 11 March 2008 the company name was further changed to MetaLeach Limited.

(b) Available for sale investments

During 2005, the Company acquired an interest in 1,165,000 ordinary shares of AU$0.20 each in Mariana Resources Limited, a company registered in New South Wales, Australia, for a total cost of £99,957. Mariana Investments Limited is listed on the AIM Market of London Stock Exchange plc. The closing mid market share price at 31 December 2007 was 10.5 pence (31 December 2006: 13.0 pence.) The Company's investment in Mariana Resources Limited represents 2.5% of the issued share capital of that company.

12. Other receivables and prepayments

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Non-current assets				
Amounts due from subsidiary companies	**–**	–	**164**	3,245
Current assets				
Other debtors	**49**	44	**28**	28
Other taxes and social security	**12**	14	**6**	7
Prepayments and accrued income	**92**	164	**65**	158
	153	222	**99**	193

13. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits and short term fixed term deposits. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Cash on hand and demand deposits	**5,564**	2,184	**5,228**	1,687
Short term fixed term deposits	**2,878**	11,814	**2,879**	11,676
	8,442	13,998	**8,107**	13,363

Notes to the financial statements

For the year ended 31 December 2007

14. Share capital

	2007 Number	2007 £'000	2006 Number	2006 £'000
Authorised				
Ordinary shares of 10p each	**240,000,000**	**24,000**	240,000,000	24,000
Allotted, called up and fully paid				
Ordinary shares of 10p each	**134,534,667**	**13,453**	134,534,667	13,453

During the year no ordinary shares were issued. Details of share options issued during the year and outstanding at 31 December 2007 are set out in note 20.

15. Capital and reserves

The Group

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share option reserve £'000	Translation reserve £'000	Fair value reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 January 2006	13,453	11,850	(2,487)	337	–	–	(1,532)	**21,621**
Retained loss for period	–	–	–	–	–	–	(3,346)	**(3,346)**
Exchange difference on translating foreign operations	–	–	–	–	(399)	–	–	**(399)**
Valuation gains on available for sale investments	–	–	–	–	–	51	–	**51**
Share option costs	–	–	–	496	–	–	–	**496**
At 31 December 2006	**13,453**	**11,850**	**(2,487)**	**833**	**(399)**	**51**	**(4,878)**	**18,423**
Retained loss for period	–	–	–	–	–	–	(3,492)	**(3,492)**
Exchange difference on translating foreign operations	–	–	–	–	42	–	–	**42**
Valuation losses on available for sale investments	–	–	–	–	–	(29)	–	**(29)**
Share option costs	–	–	–	172	–	–	–	**172**
At 31 December 2007	**13,453**	**11,850**	**(2,487)**	**1,005**	**(357)**	**22**	**(8,370)**	**15,116**

- The merger reserve arose from the Company's acquisition of Alexander Gold Group Limited on 22 March 2005. As permitted by IFRS 1 this acquisition has not been restated under the terms of IFRS 3 (Business Combinations) and was accounted for in accordance with the merger accounting principles of UK GAAP.
- The share option reserve includes an expense based on the fair value of share options issued since 7 November 2002 that had not vested by 1 January 2006. Details of share options issued during the period and outstanding at 31 December 2007 are set out in note 20.
- The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that do not have a Sterling functional currency. As permitted by IFRS 1 the Group has elected to set the previously accumulated translation difference to zero at the date of transition to IFRS.
- The fair value reserve comprises the fair value adjustment on the revaluation of the Company's available for sale investments.

15. Capital and reserves (continued)

The Company

	Share capital £'000	Share premium £'000	Share option reserve £'000	Fair value reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 January 2006	13,453	11,850	337	–	(847)	**24,793**
Retained loss for period	–	–	–	–	(1,714)	**(1,714)**
Valuation gains on available for sale investments	–	–	–	51	–	**51**
Share option costs	–	–	496	–	–	**496**
At 31 December 2006	**13,453**	**11,850**	**833**	**51**	**(2,561)**	**23,626**
Retained loss for period	–	–	–	–	(8,653)	**(8,653)**
Valuation losses on available for sale investments	–	–	–	(29)	–	**(29)**
Share option costs	–	–	172	–	–	**172**
At 31 December 2007	**13,453**	**11,850**	**1,005**	**22**	**(11,214)**	**15,116**

16. Trade and other payables

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Trade creditors	**121**	191	**100**	65
Other creditors	**28**	35	**6**	15
Other taxes and social security	**55**	28	**20**	18
Accruals and deferred income	**393**	104	**77**	73
Income taxes	**–**	17	**–**	–
	597	375	**203**	171

17. Provisions

	Environmental £'000
Balance at 1 January 2007	**–**
Additional provision	**39**
Balance at 31 December 2007	**39**

The environmental provision represents the directors' estimate of the current rehabilitation costs for the Group's Leon project site in Argentina. The timing and cost of rehabilitation is uncertain. This has been classified as a non-current provision on the basis that site rehabilitation will not take place prior to the proposed development of the Leon project.

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For the year ended 31 December 2007

18. Financial risk management

The Group's principal financial assets comprise: cash and cash equivalents; other receivables and prepayments; and available for sale financial assets. In addition the Company's financial assets include amounts due from subsidiaries. The Group's and Company's financial liabilities comprise: trade payables; other payables including taxes and social security; and accrued expenses.

All of the Group's and Company's financial liabilities are measured at amortised cost. With the exception of available for sale financial assets, which are recorded at fair value, all of the Group's and Company's financial assets are classified as loans and receivables.

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate financial risks. The main risks for which such instruments may be appropriate are interest rate risk, liquidity risk and foreign currency risk, each of which is discussed below. All non-routine transactions require board approval. During 2007 the Group has not used derivative financial instruments.

Credit risk

Credit risk refers to the risk that the Group's financial assets will be impaired by the default of a third party. The Group is exposed to credit risk primarily on its cash and cash equivalents as set out in note 13, with lesser risk attached to other receivables set out in note 12 as the Group has no trade receivables. Credit risk is managed by ensuring that surplus funds are deposited only with well-established financial institutions of high quality credit standing.

Foreign currency risk

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group reports its financial results in Sterling – the Group is exposed to foreign currency risk as a result of financial assets, future transactions and investments in foreign companies denominated in currencies other than Sterling.

Exchange gains and losses on financial assets or future transactions are recognised directly in profit or loss. A proportion of the Group's costs are incurred in US Dollars, Argentinean Pesos and Peruvian Nuevo Soles. The markets for gold, silver, copper and nearly all other metals are principally denominated in US Dollars. Accordingly, movements in the Sterling exchange rate with the US Dollar, Argentinean Peso or Peruvian Nuevo Sol could have a detrimental effect on the Group's results and financial condition.

Foreign exchange risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

	2007 £'000	2006 £'000
Sterling	**4,895**	7,902
US Dollars	**3,431**	5,953
Euros	**1**	19
Argentinean Pesos	**99**	124
Peruvian Soles	**16**	–
	8,442	13,998

In addition to cash and cash equivalents located in the UK, the Group's principal assets are located in Argentina and are considered to have a US Dollar functional currency. The Group's balance sheet can therefore be significantly affected by movements in the Sterling: US Dollar exchange rate. The Group's Peruvian subsidiaries are considered to have a Peruvian Nuevo Soles functional currency, although movements in the Sterling: Peruvian Nuevo Soles exchange rate do not have a material effect on the Group's balance sheet. Exchange gains and losses resulting from such currency fluctuations are recognised directly in equity within the translation reserve. The Group does not hedge its exposure to investments in foreign companies denominated in currencies other than Sterling.

18. Financial risk management (continued)

The table below shows an analysis of net monetary assets and liabilities by functional currency of the Group:

2007	Sterling £'000	US Dollars £'000	Peruvian Soles £'000	**Total £'000**
Balances denominated in				
Sterling	4,840	–	–	**4,840**
US Dollars	3,359	(132)	4	**3,231**
Argentinean Pesos	–	(56)	–	**(56)**
Peruvian Nuevo Soles	–	–	16	**16**
Other currencies	(33)	–	–	**(33)**
	8,166	(188)	20	**7,998**

2006	Sterling £'000	US Dollars £'000	Peruvian Soles £'000	**Total £'000**
Balances denominated in				
Sterling	7,886	–	–	**7,886**
US Dollars	5,901	(38)	5	**5,868**
Argentinean Pesos	–	72	–	**72**
Peruvian Nuevo Soles	–	–	–	**–**
Other currencies	19	–	–	**19**
	13,806	34	5	**13,845**

The table below sets out a summary of the financial effect on the Group of a 10% weakening or strengthening of the US Dollar against Sterling with all other variables kept constant:

	Profit/(loss)		Equity	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
10% weakening of US Dollar	**(294)**	(533)	**(458)**	(314)
10% strengthening of US Dollar	**323**	587	**504**	345

Commodity price risk
Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities. The Group is exposed to commodity price risk as its future revenues will be determined by reference to market prices of metals at the delivery date. Fluctuations in metal prices can affect the viability of the Group's projects.

The Group manages commodity price risk by considering the impact of fluctuations in commodity prices on the present value of the Group's projects. On development of the Group's Leon project, or any other mineral properties, the Group will consider entering into forward sales contracts for the project off-take in order to protect future earnings.

At 31 December 2007 a 10% movement in the market price of copper will have no impact on the Group's assets or result for the period.

Liquidity risk
Liquidity risk relates to the ability of the Group to meet future obligations and financial liabilities. The Group monitors its risk to a shortage of funds using cash flow models, which consider existing financial assets, liabilities and projected cash inflows and outflows from operations.

The table below sets out the maturity profile of financial liabilities at 31 December 2007:

	£'000
Due in less than one month	319
Due between one and three months	186
Due between three months and one year	92
	597

To date the Group has relied upon shareholder funding of its activities. Development of the Group's Leon project, and further exploration leading to development at one or more of the Group's other mineral properties, will be dependent upon the Group's ability to obtain further financing through joint ventures, equity or debt financing or other means. Although the Group has been successful in the past in obtaining equity financing there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

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For the year ended 31 December 2007

18. Financial risk management (continued)

Interest rate risk profile of financial assets

Interest rate risk is the risk that the value of a financial instrument or cashflows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does not therefore incur interest on overdue balances.

At 31 December 2007 the Group has Sterling and US dollar denominated cash balances and short term deposits which attract interest as follows:

	Deposit £'000	Interest rate
GBP deposits	4,814	4.75%
US dollar deposits	3,388	4.66 - 5.25%

The value of the Group's assets at 31 December 2007 and the result for the period would not be materially affected by changes in interest rates.

Price risk

Investments by the Group in available for sale financial assets expose the Group to price risk. The directors do not consider this risk to be material as the Group does not have a significant portfolio of available for sale financial assets.

Fair values of financial assets and liabilities

The Group has performed a review of the financial assets and liabilities as at 31 December 2007 and has concluded that the fair value of those assets and liabilities is not materially different to book value.

19. Capital management

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern, and develop its mining activities to provide returns for shareholders and benefits for other stakeholders.

The Group's capital structure comprises all components of equity (i.e. ordinary share capital, share premium, retained earnings and other reserves.) At 31 December 2007 the Group has no debt. When considering the future capital requirements of the Group and the potential to fund specific project development via debt the directors consider the risk characteristics of all of the underlying assets in assessing the optimal capital structure.

20. Share based payments

The Group operates an Executive Share Option Plan, under which directors, senior executives and consultants have been granted options to subscribe for ordinary shares. All options are share settled. The number and weighted average exercise prices of share options are as follows:

	2007		2006	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	**30.0p**	**11,058,333**	30.0p	9,183,333
Granted during the period	**25.8p**	**2,700,000**	30.0p	1,875,000
Cancelled during the period	**30.0p**	**(850,000)**	N/A	–
Outstanding at the end of the period	**29.1p**	**12,908,333**	30.0p	11,058,333
Exercisable at the end of the period	**30.0p**	**8,433,333**	30.0p	500,000

Share options outstanding at 31 December 2007 had a weighted average exercise price of 29.1p (2006: 30.0p) and a weighted average contractual life of 7.15 years (2006: 8.23 years). To date no share options have been exercised. There are no market based vesting conditions attaching to any share options outstanding at 31 December 2007.

20. Share based payments (continued)

At 31 December 2007 the total number of options over ordinary shares outstanding was as follows:

Exercise period	Number	Weighted average exercise price
Exercisable until March 2008	500,000	30.0p
Exercisable until 2015	7,933,333	30.0p
Exercisable at the period end	8,433,333	30.0p
Exercisable until 2012 subject to vesting conditions[1]	1,500,000	30.0p
Exercisable between 2008 and 2016	1,775,000	30.0p
Exercisable between 2009 and 2017	1,200,000	20.6p
	12,908,333	29.1p

[1]500,000 share options exercisable on each of the following conditions:

- Following a Successful Pilot Plant Demonstration for the extraction of zinc from a zinc deposit or resource.
- Following a Successful Pilot Plant Demonstration for the extraction of nickel from a nickel deposit or resource.
- Following a Successful Pilot Plant Demonstration for the extraction of uranium that may also include the extraction of other metals from a uranium ore deposit or resource.

The Group has applied IFRS 2 to all share options granted after 7 November 2002 and unvested at 1 January 2006. Accordingly, 500,000 share options that vested on 22 March 2005 are excluded from the valuation exercise.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on a Black-Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise period and the payment of dividends by the Company.

The following inputs were used in the calculation of the fair value of the share options granted during the period:

Date of Grant	11 Sep 07	16 Sep 07	28 Nov 07	20 Dec 07
Fair value (p)	6.0p	6.6p	9.3p	7.8p
Share price (p)	21.0p	20.0p	20.5p	17.25p
Exercise price (p)	30.0p	30.0p	20.5p	17.25p
Expected volatility[1]	42.5%	42.8%	42.1%	42.0%
Option life	5 years	4 years	5 years	5 years
Expected dividends	0.0%	0.0%	0.0%	0.0%
Risk-free rate of return	5.75%	5.75%	5.75%	5.50%

[1]Volatility for options granted was estimated based on the Company's daily closing share price during the 12 months prior to the issue of the share option.

21. Commitments

Commitments for the Group under non-cancellable operating leases are as follows:

	Land and buildings		Other assets	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Operating leases which expire:				
Within one year	**52**	17	**25**	–
Between two and five years	**42**	114	**–**	–
	94	131	**25**	–

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For the year ended 31 December 2007

21. Commitments (continued)

In addition, the Group has entered into a number of agreements in respect of exploration projects in Argentina and Peru under which payments fall due as follows:

Payments falling due	Option payments US$'000
Within one year	355
Between two and five years	87
	442

Under these agreements the Group earns an equity interest in the project under certain milestone payments. However, the Group does not have any obligation to make payments under these agreements and can withdraw from these projects without any further ongoing obligations at any time.

All exploration commitments included within these contracts have been met in full at 31 December 2007.

22. Contingent liabilities

There were no contingent liabilities at 31 December 2007 or 31 December 2006.

23. Related parties

The Group's investments in subsidiaries have been disclosed in note 11. The Group is controlled by Alexander Mining plc, which is also the Group's ultimate parent company. The Group has no ultimate controlling party.

Transactions between Group companies in the year were as follows:

	Sale of goods		Purchase of goods		Amounts owed to related party		Amounts owed by related party	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
Alexander Mining plc	**160**	433	**–**	–	**–**	–	**164**[1]	3,245
Alexander Gold Group Ltd	**–**	–	**160**	433	**7,580**	3,245	**447**	449
Alexander Gold Group Ltd Sucursal Argentina[2]	**–**	–	**–**	–	**67**	72	**–**	–
MetaLeach Ltd	**–**	–	**–**	–	**38**	–	**–**	–
Molinetes (BVI) Ltd	**–**	–	**–**	–	**–**	–	**–**	–
CIA Minera Molinetes SAC	**–**	–	**–**	–	**415**	377	**9**	4
CIA Minera Sulcha SAC	**–**	–	**–**	–	**9**	4	**–**	–

[1]A provision for doubtful debts totalling £7,489,000 has been raised against amounts outstanding from Alexander Gold Group Limited to Alexander Mining plc at 31 December 2007. This expense has been recognised during the period in the company income statement of Alexander Mining plc.

[2]Alexander Gold Group Ltd Sucursal Argentina trades as a branch of Alexander Gold Group Ltd.

Amounts owed to and by related parties are unsecured, interest-free, and have no fixed terms of repayment. The balances will be settled in cash. No guarantees have been given or received.

Details of directors' emoluments are set out in note 4. Compensation for key management personnel is as follows:

	2007 £'000	2006 £'000
Wages, salaries and fees	**618**	631
Other benefits	**21**	15
Share-based payments	**111**	330
	750	976

24. Transition to IFRS

The Group has adopted IFRS with effect from 1 January 2007. The directors have elected a transition date of 1 January 2006 as this is the start date for which the Group has presented full comparative information under IFRS in the 2007 Annual Report and Accounts.

Basis of transition

As stated in note 1, these are the Group's first consolidated financial statements prepared in accordance with IFRS.

The accounting policies set out on pages 29 to 30 have been applied in preparing the financial statements for the year ended 31 December 2007, the comparative information presented in these financial statements for the year ended 31 December 2006 and in the preparation of an opening IFRS balance sheet at 1 January 2006 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its previous basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

IFRS 1 exemptions

The Group has elected to apply the following exemptions from full retrospective application.
- Business combinations: The Group has chosen not to restate business combinations prior to 1 January 2006 in accordance with IFRS 3.
- Fair value or revaluation as deemed cost: The Group has chosen not to restate items of property, plant and equipment to fair value at the transition date.
- Cumulative translation differences: The Group has elected to set the previously accumulated translation difference to zero at the date of transition.
- Share based payments: The Group has elected to apply IFRS 2 only to those options that were granted after 7 November 2002 but that had not vested by 1 January 2006.

Effects of adopting IFRS on the Group's accounting policies

The adoption of IFRS 6 (Exploration for and Evaluation of Mineral Resources) has resulted in the directors reclassifying part of the amounts previously included within deferred exploration costs from intangible fixed assets to tangible fixed assets as a result of the guidance set out in that standard.

The adoption of IAS 21 (The Effects of Changes in Foreign Exchange Rates) has resulted in a change to the method of translating the Group's activities in Argentina for the consolidated financial statements. Under UK GAAP these activities were considered to be a direct extension of the operations of Alexander Gold Group Limited and were translated using the temporal method. Under the guidance set out in IAS 21 these activities are considered to have an US Dollar functional currency and the financial statements are translated to the Group's presentation currency using the closing exchange rate at the balance sheet date and average exchange rate for the period as defined in IAS 21.

The adoption of IAS 39 (Financial Instruments: Recognition and Measurement) has resulted in the Group revaluing available for sale financial assets at each period end. Valuation changes are recognised immediately in the Statement of Recognised Income and Expense. Previously, such investments were carried at the lower of cost and net realisable value.

Reconciliation of equity

	Equity as reported under UK GAAP £'000	Re-classification of tangible fixed assets (note i) £'000	Fair value of available for sale investments (note ii) £'000	Change of translation method (note iii) £'000	Equity as restated under IFRS £'000
1 January 2006					
Property, plant & equipment	73	156	–	1	230
Intangible fixed assets	2,253	(156)	–	23	2,120
Available for sale investments	100	–	–	–	100
Other net assets	19,171	–	–	–	19,171
Total equity at 1 January 2006	**21,597**	**–**	**–**	**24**	**21,621**
31 December 2006					
Property, plant & equipment	54	115	–	(2)	167
Intangible fixed assets	4,716	(115)	–	(341)	4,260
Available for sale investments	100	–	51	–	151
Other net assets	13,845	–	–	–	13,845
Total equity at 31 December 2006	**18,715**	**–**	**51**	**(343)**	**18,423**

Notes to the financial statements

For the year ended 31 December 2007

24. Transition to IFRS (continued)

Notes to the reconciliation of equity

i. In accordance with IFRS 6, amounts relating to deferred exploration costs have been reclassified from Intangible fixed assets to Tangible fixed assets.
ii. In accordance with IAS 39, available for sale investments have been recognised as assets at fair value, increasing Non-current investments and the Fair value reserve.
iii. In accordance with IAS 21, the Group's operations in Argentina have been translated using the closing exchange rate for assets and liabilities and the average exchange rate for income and expenses with all exchange differences recognised directly in equity within the Translation Reserve. Under UK GAAP these operations were translated using the actual exchange rate ruling at the date of the transaction and exchange differences were recognised in the income statement.
iv. The Group has elected to set the previously accumulated foreign currency translation adjustments to zero at the date of transition. At 31 December 2006 foreign currency translation adjustments totalling £399,000 have been reclassified from Retained Losses to the Translation Reserve.

The effect of the above adjustments on retained losses is as follows:

	1 January 2006 £'000	31 December 2006 £'000
As reported under UK GAAP	(1,556)	(4,934)
Adjustments to retained earnings brought forward	–	24
Adjustments to the income statement	(8)	(15)
Foreign currency translation adjustments	32	47
Restated in accordance with IFRS	(1,532)	(4,878)

Explanation of adjustments to the income statement

On adoption of IAS 21 exchange differences previously recognised in the income statement relating to monetary assets of Argentinean operations have been re-classified as movements in the Translation reserve. At 1 January 2006 and 31 December 2006 these total £8,000 and £15,000 respectively.

There are no other differences between the income statement presented under IFRS and the income statement presented under UK GAAP.

Explanation of adjustments to the cash flow statement

The movement in liquid resources, which comprise the cash equivalents of the Group, was classified as a cash flow under UK GAAP. Under IFRS, liquid resources have been reclassified as cash equivalents and movements are a component of the increase or decrease in cash and cash equivalents in the year.

The re-classification of deferred exploration costs from Intangible fixed assets to Tangible fixed assets has resulted in expenditure of £60,000 in the year ended 31 December 2006 being reclassified from Acquisition of Intangible Assets to Acquisition of Property, Plant and Equipment.

There are no other differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Alexander Mining plc will be held at the Chesterfield Mayfair, 35 Charles Street, Mayfair, London, W1J 5EB on Wednesday 4 June 2008 at 10am for the following purposes:

Ordinary Business
To consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:

Resolution 1
THAT the Directors' Report and Accounts for the year ended 31 December 2007, together with the auditors' report thereon, be received and adopted.

Resolution 2
To re-elect Mr J S Bunyan, who retires by rotation in accordance with Article 93 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.

Resolution 3
To re-elect Mr E M Morfett, who was appointed during the year and retires in accordance with Article 88 of the Company's Articles of Association and who, being eligible, offers himself for re-election, as a Director.

Resolution 4
THAT PKF (UK) LLP be re-appointed as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the shareholders in accordance with the provisions of the Companies Act 2006 and their remuneration be fixed by the Board.

Special Business
To consider and, if thought fit, pass the following resolutions, which, in the case of Resolution 5, will be proposed as an Ordinary Resolution and in the case of Resolutions 6 and 7, will be proposed as Special Resolutions.

Resolution 5
The following resolution will be proposed as an Ordinary Resolution:

"THAT, in substitution for all existing authorities, the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £6,726,733 provided that this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company and fifteen months from the date of the passing of this resolution, unless previously renewed, varied or revoked by the Company in general meeting, (save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired). References in this resolution to the Act, or to sections of the Act, shall, where the context requires and where appropriate, include references to the Companies Act 2006 and any corresponding or similar sections of that Act, it being the intention that, to the extent permitted by law, the authority contained in this resolution shall continue in full force and effect notwithstanding any repeal of the Act or any relevant part or section thereof."

Resolution 6
The following resolution will be proposed as a Special Resolution:

"THAT, subject to the passing of Resolution 5 above and in substitution for all existing authorities, the Directors be and they are hereby empowered pursuant to and in accordance with Section 95 of the Companies Act 1985 (the "Act"), to allot equity securities (within the meaning of Section 94(2) of the Act) for cash pursuant to the authority given by Resolution 5 above and/or to allot equity securities where such allotment constitutes an allotment of securities by virtue of section 94(3A) of the Act, as if Section 89(1) of the said Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to:

a) the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer to holders of ordinary shares or holders of any other class of equity securities, in accordance with the rights attached to such class, where the equity securities respectively attributable to the interests of such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject to such exclusions or other arrangements as the Directors consider necessary or expedient to deal with any fractional entitlements, record dates or legal or practical problems arising in connection with the laws of, or the requirements of any regulatory body or stock exchange in any territory); and

b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £6,726,733,

provided that this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution (save that the Company may before such expiry, or the expiry of any renewal of the authority, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power granted by this resolution had not expired). References in this resolution to the Act, or to sections of the Act, shall, where the context requires and where appropriate, include references to the Companies Act 2006 and any corresponding or similar sections of that Act, it being the intention that, to the extent permitted by law, the authority contained in this resolution shall continue in full force and effect notwithstanding any repeal of the Act or any relevant part or section thereof."

Resolution 7
The following resolution will be proposed as a Special Resolution:

"THAT, with effect from the end of the Meeting, the Articles of Association in the proposed new form, as produced to the Meeting and initialled by the Chairman of the Meeting for the purposes of identification, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the Company's existing Articles of Association."

By order of the Board

Peter Gardner
Company Secretary
17 April 2008

Registered Office:
1st Floor, 35 Piccadilly, London, W1J 0DW

Notice of Annual General Meeting

Notes to the Notice of Annual General Meeting

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not also be a member. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should use a photocopy of the original proxy form, or contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras). Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting should the member so decide.

2. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be completed and returned so as to reach the Company's Registrars, at Capita Registrars (Proxies), PO Box 25, Beckenham, Kent, BR3 4BR not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof.

3. The Company, pursuant to resolution 41(1) of the Uncertified Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at 10am on 2 June 2008 (or, if the meeting is adjourned, at 10am on the day two days prior to the adjourned meeting) be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast). Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

5. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.

6. The following documents will be available for inspection during normal business hours on any week day at the Company's registered office up until the date of the Annual General Meeting and at the place of the meeting from 30 minutes before the start of the meeting on 4 June 2008 until the end of the meeting:

   i) a copy of the proposed new Articles of Association of the Company, with a copy of the existing Memorandum and Articles of Association of the Company marked to show the changes being proposed in Resolution 7; and

   ii) the contracts of service and letters of appointment between the Company or its subsidiary undertakings and its Directors.

7. To appoint proxies or give/amend an instruction to an appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID: RA10) by 10am on 2 June 2008 and time of receipt will be taken as the time (as determined by the timestamp applied by the CREST Applications Host) that the issuer's agent is able to retrieve the message. CREST Personal Members or other CREST Sponsored Members, and CREST Members who have appointed voting service providers, should refer to their sponsor/voting service provider for advice on appointing proxies via CREST. Regulation 35 of the Uncertificated Securities Regulations 2001 will apply to all proxy appointments sent by CREST. For information on CREST procedures and system timings, please refer to the CREST Manual.

Explanatory notes to the business of the Annual General Meeting

Ordinary Business

Resolution 1

The Board is required to present to the meeting the financial statements, and the reports of the Directors and the Auditors, for the period ended 31 December 2007.

Resolutions 2 and 3

Resolutions 2 and 3 deal with the election of Directors under the requirements of the Articles of Association. Details of the Directors are shown on page 21 of the Annual Report.

Article 93 of the Company's Articles of Association requires one-third of the Directors to retire by rotation at each Annual General Meeting. The following Director is retiring by rotation and is proposed by the Board for re-election:

Mr J S Bunyan

Article 88 of the Company's Articles of Association requires any Director appointed by the Board during the financial year to retire at the next Annual General Meeting. The following Director is retiring in accordance with Article 88 and is proposed by the Board for re-election:

Mr E M Morfett

Resolution 4

This resolution proposes the re-appointment of PKF (UK) LLP as the auditors of the Company and, in accordance with standard practice, gives authority to the Board to determine their remuneration.

Special Business

Resolution 5

This Resolution, which gives Directors the authority to allot shares, will be proposed as an Ordinary Resolution.

Section 80 of the Companies Act 1985 only permits Directors to allot unissued securities if authorised to do so by the shareholders in general meeting. The Board proposes that the Directors be granted such authority. Passing this resolution will provide the Directors with sufficient flexibility to act in the best interests of shareholders should a beneficial opportunity to issue new shares arise.

The authority of the Directors has been limited to the allotment of shares up to an aggregate nominal amount of £6,726,733 which is equal to approximately one half of the issued ordinary share capital of the Company. The Directors' authority will expire at the earlier of the conclusion of the Annual General Meeting in 2009 or 15 months from the date of the passing of this resolution. However, the Directors note that they cannot issue any shares under this authority below the nominal value of 10p per ordinary share.

Resolution 6

This resolution, which gives directors the power to dis-apply pre-emption rights, will be proposed as a Special Resolution.

The Board seeks to retain the authority, within certain limits and expiring at the earlier of the conclusion of the 2009 Annual General Meeting and 15 months from the date of this resolution, to allot unissued securities for cash without first offering them to existing shareholders in proportion to their existing holdings.

First, if the Board considers it to be in the interests of the Company to make a rights issue, there could still be legal, regulatory or practical reasons why it might not always be possible to issue new shares to some shareholders, particularly those resident overseas. Fractional entitlements may also make a strictly pro rata issue impractical. Paragraph (a) of Resolution 6 permits the Board to make appropriate arrangements to deal with such difficulties.

Secondly, there could also be circumstances where the Board considers it in the best interests of the Company to issue shares to persons other than shareholders for cash, without first offering them to existing shareholders. Resolution 6 gives the Board that authority but limits the authority to the allotment of shares up to an aggregate nominal amount of £6,726,733.

Resolution 7

We are asking shareholders to approve a number of amendments to our articles of association, to reflect certain provisions of the Companies Act 2006. An explanation of the main changes between the proposed and existing articles of association is set out in the Appendix.

The remaining provisions of the Companies Act 2006 are expected to come into force in October 2009. In addition, various regulations that relate to certain of these provisions have yet to be finalised. Consequently, it will be necessary for the Company to undertake a further review of its Articles of Association in due course in order to reflect these other provisions. As these further changes to the Articles of Association will be reasonably substantial in number, it is anticipated that the Company will adopt a new set of Articles of Association in due course once market practice has developed.

Appendix

Explanatory notes of principal changes to the Company's Articles of Association

1. Conflicts of interest

   The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The new articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

   There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

   It is also proposed that the new articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. The Company intends to follow developing best practice, as regards process and reporting, in relation to the exercise of the power to authorise conflicts to be included in the new articles by virtue of resolution 7.

2. Age of directors on appointment

   The current articles contain a provision requiring a director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the new articles.

3. Convening extraordinary general meetings

   The provisions in the current articles dealing with the notice period for convening general meetings is being amended to conform to new provisions of the Companies Act 2006. Under the new articles an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

   The new articles showing the changes to the current articles (as described above) are available for inspection, as noted on page 48 of this document.

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